

PRESS RELEASE



SHAFTESBURY CAPITAL PLC ("THE COMPANY")

AUDITED PRELIMINARY RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

27 February 2025

A YEAR OF GROWTH

Ian Hawksworth, Chief Executive, commented:

"We are delighted to deliver a strong set of results for 2024. Our West End estates continue to be busy and vibrant with high footfall and customer sales growth. There continues to be strong leasing demand with 473 transactions completed 9 per cent ahead of December 2023 ERV, with an excellent leasing pipeline. Valuation has increased 4.5 per cent driven by strong ERV growth. The momentum of 2024 has continued into the current year. With our strong balance sheet, we are well-positioned to capitalise on market opportunities and confident of delivering further growth as the leading central London mixed-use REIT."

Highlights

- EPRA NTA of 200.2 pence per share, up 5.2 per cent (Dec 2023: 190.3 pence per share)
- Portfolio valuation increased by 4.5 per cent on a like-for-like basis at £5.0 billion (Dec 2023: £4.8 billion) driven by 7.7 per cent ERV growth offset by a marginal outward yield movement of 13 basis points like-for-like to 4.45 per cent equivalent yield
- Underlying earnings increased by 16.2 per cent to 4.0 pence per share (pro forma FY 2023: 3.4 pence per share) and proposed total dividend for 2024 of 3.5 pence per share, up 11 per cent relative to 2023 3.15 pence per share
- 473 leasing transactions, representing £48.7 million of contracted rent, 9 per cent ahead of December 2023 ERV and 14 per cent ahead of previous passing rents
- 8.0 per cent like-for-like increase in annualised gross income to £202.8 million (Dec 23: £192.8 million) and 7.7 per cent like-for-like increase in ERV to £250.6 million (Dec 23: £236.9 million)
- High occupancy: 2.6 per cent of ERV available to let (Dec 2023: 2.1 per cent)
- Customer sales were up 3.1 per cent on a like-for-like basis relative to 2023
- £246.6 million of disposals completed since merger, with £86 million reinvested in acquisitions improving the quality of our portfolio
- In addition, sale of 50 per cent interest in Longmartin to our joint venture partner for net cash consideration of £94 million
- Strong balance sheet with access to £560 million of liquidity, net debt of £1.4 billion (Dec 2023: £1.5 billion) and EPRA loan-to-value ratio of 27 per cent (Dec 2023: 31 per cent)

KEY FINANCIALS

	Note	As at 31 December 2024	As at 31 December 2023
Total equity	3	£3,674.3m	£3,480.2m
Total equity per share	3	200.4p	190.3p
Total accounting return		7.0%	5.8%
EPRA net tangible assets	3	£3,671.1m	£3,479.4m
EPRA net tangible assets per share	3	200.2p	190.3p
Total property return		7.6%	2.2%
Property portfolio market value	10	£4,973.5m	£4,795.3m
L-f-L valuation movement (FY)		+4.5%	-0.8%
L-f-L valuation movement (H2)		+3.1%	-1.0%
L-f-L ERV growth (FY)		+7.7%	+6.9%
L-f-L ERV growth (H2)		+4.7%	+3.5%

		For the year ended 31 December 2024	For the year ended 31 December 2023
	Note		
Gross profit	4	£167.1m	£141.9m
Profit for the year ¹		£252.1m	£750.4m
Basic earnings per share	3	13.8p	45.5p
Headline earnings per share	3	3.4p	0.6p
EPRA earnings per share ²	3	4.1p	4.1p
Underlying earnings per share ³	3	4.0p	3.7p
Dividend per share	9	3.5p	3.15p
Total shareholder return		(6.9%)	33.1%

1 Refer to the 'Consolidated income statement' on page 30.

2 Prior year comparatives have been represented based on changes to EPRA earnings following the publication of updated EPRA Best Practice Recommendations Guidelines in September 2024.

3 Had the all-share merger of Capital & Counties Properties PLC and Shaftesbury PLC completed on 1 January 2023, the underlying earnings of the Group would have been 3.4 pence per share.

Presentation of information

The all-share merger of Capital & Counties Properties PLC ("Capco") and Shaftesbury PLC to create Shaftesbury Capital PLC ("Shaftesbury Capital") completed on 6 March 2023. The financial information included within the annual results of Shaftesbury Capital with the statement of comprehensive income for the prior period reflects the standalone performance of Capco for the period 1 January to 6 March and the performance of the merged business, Shaftesbury Capital, between the completion date of 6 March 2023 and 31 December 2023.

Refer to Glossary of terms on pages 61 to 64.

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A presentation to analysts and investors will take place today at 10:00am (UK time) at the offices of UBS, 5 Broadgate, London, EC2M 2QS. The presentation will also be available to analysts and investors through a live audio call and webcast and after the event on the Group's website at www.shaftesburycapital.com

A copy of this announcement is available for download from our website at www.shaftesburycapital.com

About Shaftesbury Capital

Shaftesbury Capital PLC ("Shaftesbury Capital") is the leading central London mixed-use REIT and is a constituent of the FTSE-250 Index. Our property portfolio, valued at £5.0 billion, extends to 2.7 million square feet of lettable space across the most vibrant areas of London's West End. With a diverse mix of shops, restaurants, cafés, bars, residential apartments and offices, our destinations include the high footfall, thriving neighbourhoods of Covent Garden, Carnaby, Soho and Chinatown. Our properties are close to the main West End Underground stations and transport hubs for the Elizabeth Line. Shaftesbury Capital shares are listed on the London Stock Exchange ("LSE") (primary) and the Johannesburg Stock Exchange ("JSE") (secondary) and the A2X (secondary).

Our purpose

Investing to create thriving destinations in London's West End where people enjoy visiting, working, and living.

Our values

We have a set of values that are fundamental to our behaviour, decision making and the delivery both of our purpose and strategy: Act with integrity; Take a creative approach; Listen and collaborate; Take a responsible, long-term view; and Make a difference.

CHIEF EXECUTIVE STATEMENT

Overview

Having set a clear and focused strategy, we have delivered excellent operational performance throughout 2024 with rental income and valuation growth. Footfall across our prime West End portfolio is high, with customer sales up 3.1 per cent year on year. There are excellent levels of activity, limited vacancy and a number of customers taking multiple units across the portfolio. The strong leasing activity and pipeline supports our medium-term growth targets.

This year, our portfolio valuation is up by 4.5 per cent, resulting in 10 pence increase in EPRA NTA per share to 200 pence per share. Despite the challenging macro-economic backdrop, we continue to deliver positive operational performance. Leasing ahead of previous passing rents and cost discipline has resulted in growth in underlying earnings. Like-for-like rental growth was 5.7 per cent and underlying earnings have increased by 16.2 per cent over the year.

Shaftesbury Capital has a strong balance sheet and significant liquidity to take advantage of market opportunities. Although the wider central London investment market for larger lot sizes has been relatively quiet, the West End market for smaller lot sizes has been active. Since merger, proceeds of over £246.6 million have been realised from property disposals and £94 million realised from exiting our 50 per cent interest in the Longmartin joint venture. £86 million has been reinvested in targeted acquisitions on core streets with excellent rental growth prospects. The pipeline of asset acquisitions is encouraging, with a number of buildings currently under review.

We are committed to reducing the impact of our operations on the environment. We continue to take a responsible approach, operating in an environmentally sustainable manner and engage with our stakeholders to benefit the West End.

Confidence in the strength of our West End portfolio

London and particularly our West End portfolio continues to display its enduring appeal as a leading global destination, with international arrivals now ahead of 2019 levels. Vacancy rates, not only in our portfolio but across prime West End retail units continue to reduce and are also back in line with pre pandemic levels creating competitive tension for prime space. Footfall has been consistently high, with the Elizabeth Line enhancing transport connectivity for visitors, shoppers, workers and tourists alike. Our West End portfolio is the destination of choice for both market entry and expansion, with occupiers seeking superior quality, sustainable space with high amenity value.

We are well-positioned to deliver on our medium-term targets of 5 to 7 per cent ERV growth, and with stable yields, 8 to 10 per cent Total Accounting Return per annum. Despite the well-documented macro-economic uncertainty, the West End continues to perform. Through our active approach to leasing and asset management, we continue to deliver ERV growth with ongoing positive momentum. 473 leasing transactions completed during the year, 9.1 per cent ahead of December 2023 ERV, in turn delivering 7.7 per cent ERV growth. The increased scale and depth of the portfolio provide opportunities to support the growth of our customers with over 30 customers having upsized or expanded across the portfolio since completion of the merger.

There is significant potential from each of our locations with rental reversion embedded across the portfolio with current ERV, 24 per cent above annualised gross income. We are seeing the benefit of incorporating Seven Dials and Opera Quarter with the Covent Garden Piazza unifying the Covent Garden district, through our leasing, asset management and marketing activity. Our customers are responding positively with demand for available shops and restaurants. We have been able to make changes in Seven Dials at pace, reinforcing consumer interest in the wider Covent Garden area and delivering leasing performance and customer sales growth. 33 new concepts have been introduced to the district this year.

There has been good progress on evolving our offer in Soho, including Carnaby Street, through our targeted leasing programme, introducing differentiated concepts, relevant to the consumer with 21 new signings over the year. Our brand and category selection criteria are designed to generate higher productivity, whilst taking inspiration from the area's rich heritage. Based on our consumer data and experience, the average spend and dwell time has the potential to be significantly higher. Accordingly, we are introducing concepts in Carnaby which should be supportive of rental growth over time.

In Chinatown we are introducing more variety, choice and new concepts to the area increasing the pan-Asian offering at a range of price points, which is delivering good rental growth.

The office portfolio is performing well, with robust demand for well-fitted space. During the year, we completed a significant office refurbishment pipeline across 77,000 square feet, with rents for well-fitted, high-quality space regularly achieving more than £100 per square foot. Our residential offer continues to appeal to a broad range of occupiers delivering rental growth and limited vacancy.

Placing the customer at the heart of our business

We continue to place the customer at the heart of our business, great accommodation and service, focusing on providing lively, differentiated experiences for visitors, local workers and residents. Our marketing programme across the portfolio focuses on the consumer calendar, best in class experiences and digital reach, all of which supports the footfall and sales prospects in our destinations. The portfolio had a very successful Christmas trading period with a programme of festive events and shopping evenings; footfall across the portfolio in the last quarter was up 6.6 per cent compared to Q4 2023. Our digital engagement and followers continue to grow across all destinations, and we have launched new Soho and Carnaby Street branding which has been well received, aligning these locations more closely. Our collaborative approach provides brands with an opportunity to participate in the marketing of the estates, particularly through digital channels and activations. Through events and brand collaborations, we have increased revenue from our non-leased income activities, whilst benefiting stakeholders across the wider West End.

As well as maintaining close contact and presence on our estates, during the year, we launched a customer survey to identify improvements across our operating platform to provide enhanced service to our customers. We have improved our data environment and are now proactively utilising our data sources and insights on customer trends more effectively to support

leasing activity and identify opportunities across the portfolio. We will continue to improve our processes and explore the use of AI and emerging technology.

Leasing and asset management translating into valuation growth

The valuation of the wholly-owned property portfolio increased by 4.5 per cent (like-for-like) in the year to £5.0 billion, implying a capital value equivalent to £1,833 per square foot on average, well below replacement cost. ERV increased across all uses by 7.7 per cent blended (like-for-like) with particularly strong rental growth in prime retail.

The equivalent yield was 4.45 per cent, reflecting 13 basis points of like-for-like outward movement over the year (+9 basis points H1 2024, +4 basis points H2 2024). The equivalent yield for the commercial portfolio (excluding residential) is approximately 4.6 per cent. Total property return for the year was 7.6 per cent versus the MSCI Total Return Index which recorded 7.0 per cent.

Interest rates are moderating, albeit more slowly which has impacted the broader investment market, however investment yields in prime West End, which comprise predominantly freehold properties and often smaller lot-sizes, remain relatively stable. There is a broad pool of domestic and international investors attracted to prime West End real estate, where investment can provide the prospect of high occupancy, good demand for space and reliable growth in long-term cash flows as demonstrated by recent sales at or above valuation.

Investment activity

Our investment activity is focused on our three core locations, Covent Garden, Carnaby | Soho and Chinatown. We maintain an active and disciplined approach to capital allocation and look at opportunities to expand selectively, adding to our growth prospects. Our approach is to assess the merits of all capital decisions including investment in our portfolio and repositioning opportunities, accretive acquisitions, the disposal of non-strategic assets and the return of surplus capital to shareholders as appropriate.

We are well-positioned with access to significant liquidity to take advantage of market opportunities and will rotate capital as appropriate, enhancing the quality of our portfolio. Since merger, we have realised £246.6 million at a premium overall to valuation, meeting our objective to initially recycle approximately 5 per cent of portfolio value. In addition, we completed the sale of our 50 per cent interest in the Longmartin investment to the joint venture partner for net cash consideration of £94 million.

To date we have deployed £86 million in acquisitions, and the pipeline of asset acquisitions is encouraging, with a number of buildings currently under review. Our focus is on acquiring properties which enhance and complement our existing ownership and have the potential to generate sustainable long-term growth in income and capital values.

Active asset management and refurbishment initiatives continue with capital expenditure of approximately 1 per cent of portfolio value per annum on average to enhance value and environmental performance across the estate.

Growth in rents, underlying earnings, dividends and EPRA NTA

Shaftesbury Capital's total accounting return for the year was 7.0 per cent. NTA increased by 5.2 per cent over the year to 200 pence per share (Dec 23: 190 pence per share). Annualised gross income increased by 8.0 per cent to £202.8 million. ERV increased by 7.7 per cent (like-for-like) to £250.6 million, 24 per cent above annualised gross income. For the first time portfolio ERV is ahead of pre pandemic levels in absolute terms, however retail ERVs remain 6 per cent below 2019 levels. EPRA vacancy has reduced to 3.9 per cent (Dec 2023: 4.9 per cent) with 2.6 per cent available to let and the balance under offer.

There have been significant cost savings across the business as we progress towards an effective and efficient organisational structure and cost base. The EPRA cost ratio is 37 per cent (Dec 2023: 40 per cent), having reduced from over 50 per cent at merger and we are targeting a reduction towards 30 per cent. Underlying administration costs were £39.4 million for the year, having reduced significantly since merger. Underlying earnings for the year are £73.0 million, equivalent to 4.0 pence per share and the Board has proposed a final dividend of 1.8 pence per share taking the total dividend for the year to 3.5 pence per share, up 11 per cent, reflecting the progression in underlying and cash earnings.

We maintain a strong balance sheet with a focus on flexibility and efficiency. EPRA LTV is 27 per cent and the interest cover ratio is 2.9 times, with ample headroom against debt covenants. During the year, a new £75 million unsecured loan facility was entered into, the one-year extension option on the £350 million senior unsecured loan facilities has been exercised and we completed the refinancing of the £300 million revolving credit facility extending the maturity to 2028. In combination with cash deposits, the Group has access to £560 million liquidity ensuring it is well-positioned to act on market opportunities.

Our people, values and culture

Our people are one of our competitive strengths. I am proud of the creativity and enthusiasm shown by the team demonstrating our corporate values whilst delivering high performance. During the year, we carried out an employee survey, with a very high participation rate of 92 per cent and an overall engagement score of 82 per cent, ahead of the global benchmark. Overall, the employee feedback received within the survey was positive and where areas of improvement have been identified, actions are being taken to implement change. We continue to invest in the personal development of our people and have introduced a number of initiatives to support our colleagues, providing greater career development opportunities over time.

Our sustainable approach

Our Environment, Sustainability and Community strategy delivers value for our stakeholders through our long-term, responsible stewardship of our destinations. Our sustainability strategy is founded in future proofing our heritage buildings and creating sustainable and healthy places where people enjoy visiting, working and living. We are committed to meeting our 2030 carbon reduction targets and have reset our Net Zero Carbon target to 2040 to align with the Science Based Targets initiative ("SBTi") long-term carbon reduction targets, achieving SBTi validation in January 2025.

We have already made great progress in reducing our carbon emissions and, working with our customers, will continue to decarbonise energy where practical by replacing gas with electricity. Our customer survey also covered sustainability, in order to provide customer insights on our sustainability actions and better understand their priorities.

We continue to work towards our aim to be a leader in sustainable heritage buildings. Through our ongoing refurbishment programme, we continue to improve the energy efficiency of our buildings. 88 per cent of our portfolio by ERV has EPC ratings of A-C and 70 per cent of commercial assets have EPC rating of A-B. Key sustainability activities include investment in our buildings, prioritising pedestrians where possible through initiatives to enhance the public realm, improving air quality and our extensive greening programme. As we look ahead, we will utilise technology and innovation to enhance our activities and continue to work closely with customers and other stakeholders to help deliver shared sustainability goals.

Community engagement

As a responsible, long-term investor, community engagement and collaboration are integral to our strategy and activities. As an active part of the community, being a good neighbour is important to us. We value the communities that make our places thrive. Our community programme prioritises initiatives and charity partners in the boroughs of Westminster and Camden. This includes financial support, the provision of space and employee volunteering time. Our approach includes supporting charities focused on education and employment opportunities, addressing issues of homelessness and food hardship, veterans and connecting older people in the local community. We have partnerships with hospitality, cultural and retail foundations.

With our experience and knowledge of the West End, we make an important contribution to safeguarding its long-term appeal and prospects. We continue to work with our local authorities and residents to make public realm enhancements to improve the experience and appeal of our vibrant destinations for visitors, workers, residents, businesses and communities.

Outlook

We are confident in the growth prospects of our West End portfolio which continues to demonstrate its enduring appeal. Despite the well-documented macro-economic uncertainty, the West End continues to perform. Footfall is high, with continued customer sales growth, limited vacancy and a strong leasing pipeline. We have delivered growth in cash rents, ERV and valuation, and we expect continued performance with our rents and valuation well underpinned and are positioned for further growth. As long-term responsible owners, we are committed to implementing our environmental, sustainability and community strategy.

Prime central London real estate continues to attract capital, and we see opportunities for investment and expansion within and alongside our portfolio. Shaftesbury Capital has a strong balance sheet and significant liquidity to take advantage of market opportunities. The quality of our portfolio, our active approach and the positive market fundamentals of the West End give us confidence in our target of 5 to 7 per cent rental growth, which with stable yields, would deliver total accounting returns of 8 to 10 per cent over the medium-term. Through active asset management of our irreplaceable prime West End portfolio together with the competitive advantage of our operating platform, we are focused on delivering sustainable long-term rental income, value, earnings and dividend growth.

Ian Hawksworth

Chief Executive

26 February 2025

OPERATING AND PORTFOLIO REVIEW

Overview

Shaftesbury Capital owns an impossible to replicate portfolio that extends to 2.7 million square feet of lettable space across the most vibrant areas of London's West End. The Group's portfolio of adaptable mixed-use buildings provides diversified income streams with a long history of occupier demand exceeding availability of space. With a diverse mix of shops, restaurants, cafés, bars, residential and offices, our destinations include the high footfall, thriving neighbourhoods of Covent Garden, Carnaby Street, Soho and Chinatown. Our properties are located at the heart of the West End's entertainment and cultural attractions, benefitting from excellent connectivity through close proximity to the main West End Underground stations and transport hubs for the Elizabeth Line.

Delivering valuation growth

The valuation of the wholly-owned property portfolio increased by 4.5 per cent on a like-for-like basis to £5.0 billion, equivalent to £1,833 per square foot on average (Dec 2023: £1,680 per square foot). The valuation gain has been driven by leasing and asset management activity particularly in the retail portfolio. Leasing activity was on average 9 per cent ahead of Dec 23 ERV, resulting in an overall increase in portfolio ERV by 7.7 per cent (like-for-like) to £250.6 million (Dec 2023: £236.9 million). The equivalent yield was 4.45 per cent, reflecting a marginal outward movement of 13 basis points like-for-like, whilst the portfolio net initial yield is 3.6 per cent. Including rent from leases currently in rent free periods, the topped-up initial yield of the portfolio at 31 December 2024 was 3.9 per cent (Dec 2023: 3.8 per cent). The equivalent yield for the commercial portfolio (excluding residential) is 4.6 per cent (Dec 2023: 4.6 per cent). The net initial yield for the commercial portfolio (excluding residential) is 3.8 per cent.

Prime West End property yields have stabilised supported by occupational and investment transactional evidence. The investment market continues to be more active for smaller lot sizes in the West End, with transactions demonstrating demand for high quality, prime central London real estate. This market, which is characterised by high occupancy, low capital requirements and reliable growing long-term cash flows, continues to attract significant interest from both international and domestic investors.

Overall portfolio ERV is 3 per cent ahead of 2019 levels on a like-for-like basis. Retail ERVs improved by 11.2 per cent over the year and are now 6 per cent below pre-pandemic levels, whilst food & beverage, office and residential ERVs are ahead of pre-pandemic levels in nominal terms.

Covent Garden generated ERV growth of 9.1 per cent driven by leasing and asset management activity across the retail and food & beverage space, with 33 new brands introduced to the district during the year. 76 new commercial leases and renewals were agreed during the year, 7.3 per cent ahead of ERV. Across Carnaby | Soho, ERV growth was 7.1 per cent during the year, as a result of 83 new commercial leases and renewals agreed 12.7 per cent ahead of ERV, primarily driven by office and food & beverage lettings and asset management activity. During the year, 15 new commercial leases and renewals were agreed in Chinatown, 22.5 per cent ahead of ERV. ERV growth in Chinatown was 4.1 per cent over the year, driven by food & beverage letting activity.

Total property return for the year was 7.6 per cent compared with the MSCI Total Return Index which recorded 7.0 per cent.

Portfolio by use as at 31 December 2024	Retail	Food & beverage	Offices	Commercial	Residential	Wholly-owned portfolio
Valuation (£m) ¹	1,784.2	1,664.8	877.9	4,326.9	644.7	4,971.6
Valuation (%)	36%	33%	18%	87%	13%	100%
L-f-L valuation movement (FY 2024)	+7.5%	+4.7%	+3.1%	+5.5%	-1.6%	+4.5%
L-f-L valuation movement (H2 2024)	+6.5%	+2.2%	+1.2%	+3.7%	-1.0%	+3.1%
Annualised gross income (£m)	73.2	73.0	33.6	179.8	23.0	202.8
Annualised gross income (%)	36%	36%	17%	89%	11%	100%
L-f-L annualised gross income growth (FY 2024)	+9.1%	+4.2%	+18.3%	+8.6%	+3.9%	+8.0%
L-f-L annualised gross income growth (H2 2024)	+5.3%	-	+12.0%	+4.2%	+2.9%	+4.1%
ERV (£m)	90.2	85.0	50.5	225.7	24.9	250.6
ERV (%)	36%	34%	20%	90%	10%	100%
L-f-L ERV movement (FY 2024)	+11.2%	+7.2%	+6.1%	+8.4%	+1.4%	+7.7%
L-f-L ERV movement (H2 2024)	+8.8%	+3.4%	+1.5%	+5.0%	+1.6%	+4.7%
ERV psf (£)	126	91	79	98	60	92
Net initial yield	3.8%	4.0%	3.3%	3.8%	2.9%	3.6%
Topped up net initial yield	4.0%	4.3%	3.8%	4.1%	N/A	3.9%
Equivalent yield	4.5%	4.7%	4.9%	4.6%	3.1%	4.4%
WAULT	3.0	8.1	2.7	4.8	1.1	4.4
Floor Area (sq ft m) ²	0.7	1.0	0.6	2.3	0.4	2.7
Unit Count ²	415	394	404	1,213	656	1,869

1. Excludes £1.9 million of Group properties primarily held in Lillie Square Holdings (a wholly-owned subsidiary).

2. Excluding long-leasehold residential interests.

Portfolio by location as at 31 December 2024	Covent Garden	Carnaby Soho	Chinatown	Fitzrovia	Wholly-owned portfolio
Valuation (£m) ¹	2,652.7	1,597.1	716.3	5.5	4,971.6
Valuation (%)	53%	32%	15%	-	100%
L-f-L valuation movement (FY 2024)	+3.7%	+6.4%	+3.7%	-7.1%	+4.5%
L-f-L valuation movement (H2 2024)	+2.8%	+4.3%	+2.0%	-6.1%	+3.1%
Annualised gross income (£m)	104.3	66.2	32.0	0.3	202.8
Annualised gross income (%)	51%	33%	16%	-	100%
L-f-L annualised gross income growth (FY 2024)	+7.2%	+12.1%	+2.8%	-5.3%	+8.0%
L-f-L annualised gross income growth (H2 2024)	+2.7%	+8.4%	+0.4%	-6.0%	+4.1%
ERV (£m)	134.0	81.9	34.4	0.3	250.6
ERV (%)	53%	33%	14%	-	100%
L-f-L ERV movement (FY 2024)	+9.1%	+7.1%	+4.1%	-	+7.7%
L-f-L ERV movement (H2 2024)	+5.5%	+4.5%	+2.0%	-	+4.7%
ERV psf (£)	96	92	81	58	92
Net initial yield	3.6%	3.6%	4.0%	5.0%	3.6%
Topped up net initial yield	3.8%	4.0%	4.1%	5.0%	3.9%
Equivalent yield	4.5%	4.5%	4.3%	4.4%	4.4%
WAULT	4.4	4.0	5.6	6.1	4.4
Floor Area (sq ft m) ²	1.4	0.9	0.4	-	2.7
Unit Count ²	853	660	350	6	1,869

1. Excludes £1.9 million of Group properties primarily held in Lillie Square Holdings (a wholly-owned subsidiary).

2. Excluding long-leasehold residential interests.

Independent valuations of the wholly-owned portfolio are undertaken in accordance with Royal Institution of Chartered Surveyors guidelines by CBRE and Cushman & Wakefield. The valuations represent the aggregated value of predominantly freehold properties. There is no reflection of any premium or discount which some potential investors may ascribe to the comprehensive ownership of a combination of some, or all, parts of the portfolio.

Our interests comprise a combination of properties which are wholly-owned and a 50 per cent share of property held in the Lillie Square joint venture, and Longmartin associate until October 2024. The consolidated financial statements, prepared under IFRS, include the Group's interest in the joint venture as one-line items in the Income Statement and Balance Sheet. Investment in joint ventures account for an additional £65 million of property interests (our 50 per cent share).

Well-positioned to act on investment opportunities

We aim to maximise the potential from investment opportunities in our existing portfolio and acquisition opportunities which deliver attractive long-term rental growth and total returns. Capital expenditure of approximately 1 per cent of portfolio value is expected per annum. We are well-positioned with access to significant liquidity to take advantage of market opportunities and will rotate capital as appropriate enhancing the quality of our portfolio.

Since merger, proceeds of £246.6 million have been realised from property sales. ERV and contracted rent of disposals were both £14.8 million. £158.4 million of property sales completed during 2024, including the Fitzrovia portfolio. £86 million has been reinvested in targeted assets. In March 2024, we completed the acquisition of 25-31 James Street, Covent Garden for £75.1 million (before costs). The properties had a contracted rent of £3.9 million and comprise 21,000 square feet of lettable area, including 12,000 square feet of retail and 9,000 square feet of residential and office accommodation. This acquisition presents asset management and rental growth opportunities as well as complementing our existing ownership on James Street, a prime retail street and key gateway into the Covent Garden Piazza. We have acquired two assets on Broadwick Street and Marshall Street for £7.8 million (before costs). In February 2025, we completed the acquisition of a small property on Neal Street for £6.0 million (before costs). Alongside organic investments inherent in the portfolio, the pipeline of asset acquisitions is encouraging, with a number of buildings currently under review.

In addition, in October 2024 the Company completed the sale of its 50 per cent interest in the Longmartin investment to its joint venture partner. Completion of the merger between Capital & Counties Properties PLC and Shaftesbury PLC triggered the right for the partner to require the Company to offer to sell its shares in the Longmartin investment. The partner elected to acquire the Company's shares for net cash consideration of £94 million.

Excellent leasing activity across all uses

The portfolio represents 2.7 million square feet of lettable space, comprising 1.7 million square feet of retail, food & beverage space together with 0.6 million square feet of offices and 656 residential apartments.

During the year, 473 leasing transactions were concluded with a combined rental value of £48.7 million, comprising:

- 175 commercial lettings and renewals: £37.5 million, 10.7 per cent ahead of 31 Dec 2023 ERV and 17.8 per cent ahead of previous passing rents; and

- 298 residential lettings: £11.2 million, 4.2 per cent ahead of 31 Dec 2023 ERV and 7.1 per cent ahead of previous passing rents.

In addition, 71 commercial rent reviews with a rental value of £18.1 million were concluded on average 8.3 per cent ahead of previous passing rents.

Leasing transactions by use concluded during the year

Use	Transactions	New contracted rent (£m)	% above Dec-2023 ERV	% above previous passing rent
Retail	69	14.5	9.3	20.2
Food & beverage	39	8.2	14.8	19.3
Offices	67	14.8	9.8	13.2
Residential	298	11.2	4.2	7.1
Total	473	48.7	9.1	14.4

Leasing transactions by destination concluded during the year

Destination	Transactions	New contracted rent (£m)	% above Dec-2023 ERV	% above previous passing rent
Covent Garden	219	23.5	6.4	16.3
Carnaby Soho	163	19.7	11.4	11.2
Chinatown	87	5.3	13.2	15.8
Fitzrovia	4	0.2	7.4	4.4
Total	473	48.7	9.1	14.4

Retail (36 per cent of the portfolio by ERV)

Occupational retail demand continues to gravitate to the best locations with the West End's vibrancy and consumer characteristics making it a highly sought after market. Trading conditions across our portfolio are positive, with customer sales in aggregate up 3 per cent vs 2023 with particularly strong performance in luxury, lifestyle and accessories. Retailers are attracted by the seven-days-a-week footfall and trading environment. Our portfolio includes 415 shops with an average ERV of £126 per square foot, up from £108 per square foot in December 2023.

Our portfolio remains a preferred destination for market entry and retail expansion with 47 new openings during the year. Our broad range of unit sizes and rental tones, provide scope for customers to grow within our portfolio. Amongst the benefits of our portfolio of scale is our ability to provide additional space for our customers as they expand and grow.

In Covent Garden, outdoor brand Peak Performance opened its debut UK store on Long Acre, following the upsizing of its sister brand Arc'teryx, to a flagship on King Street. Luxury makeup and skincare concept Charlotte Tilbury upsized significantly to a new flagship store overlooking the Market Building, following the success of its James Street store. Nespresso will open a new flagship on the corner of Henrietta Street in the space previously occupied by NatWest bank. Swiss watchmaker Longines opened on James Street and English heritage brand Aspinall has taken space in the Market Building.

Excellent progress has been made evolving the customer offer at Seven Dials as part of our strategy to unify the Covent Garden district. There has been a series of key additions to the neighbourhood, with 33 new brands introduced this year, with a very encouraging pipeline. Luxury activewear brand, Alo Yoga has been introduced at the entrance of Neal Street which is a key gateway into Seven Dials from Covent Garden. Swedish footwear brand, Axel Arigato has opened its store overlooking the dial itself, marking its second Shaftesbury Capital location. Further to redevelopment of a combination of sites, Vivobarefoot has doubled the size of its store, relocating on Neal Street, and outdoor retailer, Finisterre has upsized from its store on Earlam Street. Sustainable menswear brand NN.07, boutique retailer Saint + Sofia and apparel concept Gandy's International have all recently opened.

There has been good progress on evolving the offer on and around Carnaby Street through our targeted leasing activity, with 13 retail signings over the year. Global lifestyle brand PANGAIA, has opened on the southern end of Carnaby Street marking its first European standalone store offering apparel from innovative tech and bio-engineered materials. Brazilian fashion brand Farm Rio and top-rated Korean beauty store Pure Seoul will open shortly strengthening the customer line up on Carnaby Street. Foubert's Place welcomed a new flagship store from contemporary jeweller Astrid & Miyu, eyewear brand, Jimmy Fairly and Mango Teen. There have been a number of introductions across Soho including outdoor sportswear brand Salomon opening on Broadwick Street. Apparel brand Carhartt WIP opened a new flagship on Brewer Street. Soho has also welcomed fashion retailer, Ronning, and craft jean maker Blackhorse Lane Ateliers, both on Berwick Street.

Reflecting strong demand during the year, we completed 69 retail lettings and renewals with a rental value of £14.5 million. Rents, on average, were 9.3 per cent above December 2023 ERV and 20.2 per cent ahead of previous passing rents.

- H1 2024: 40 lettings and renewals: £9.3 million, 5.4 per cent ahead of 31 Dec 2023 ERV; and 17.7 per cent ahead of previous passing rents
- H2 2024: 29 lettings and renewals: £5.2 million, 11.1 per cent ahead of 30 June 24 ERV; and 26.7 per cent ahead of previous passing rents

24 retail rent reviews with rental value of £5.1 million were concluded, 14 per cent ahead of previous passing rents.

Food & beverage (34 per cent of the portfolio by ERV)

It has been an active year for food and beverage leasing with 39 leasing transactions completed, 14.8 per cent ahead of December 2023 ERV. In 2024, our West End portfolio welcomed 24 new offerings, ranging from independent to international operators. These operators provide a variety of cuisines and price points, bringing something different to the evolving dining mix, across our popular dining destinations.

The food & beverage portfolio extends to 394 units. As is typical, there have been a small number of failures during the year, however ongoing leasing demand has resulted in the available space being filled quickly. Availability of restaurant and leisure space is very limited given the vibrancy of these locations together with constrained planning and licensing policies.

There is particularly positive performance from our Soho food & beverage portfolio. Kingly Court continues to attract interest from multiple food & beverage operators. The team behind renowned Soho concept, Blanchette, have launched Goldies, their latest concept in Kingly Court. Mediterranean concept Alta has signed following the redevelopment of units across two floors, creating a larger destination dining opportunity. Kingly Street has bolstered its evening offer, with the openings of The Counter and The Little Violet Door joining food & beverage concept Two Floors which has expanded its presence following refurbishment. Cheesecake specialist La Maritxu signed on Kingly Street, while the opening of Donutelier has been introduced on Carnaby Street at the gateway to Kingly Court.

10 new concepts have been introduced to Covent Garden including Eastern Mediterranean concept Delamina opened on Tavistock Street while Greek boutique hotel, ERGON House is set to open in a newly refurbished heritage building, anchoring King Street over the coming months. Luxury French pâtisserie brand, Ladurée has expanded its tearoom in its flagship store in the Market Building. EL&N Deli & Bakery, from café and lifestyle brand EL&N, has also opened in the Market Building, while Aguamiel, London's first "churreria", offering traditional Mexican dessert opened on Wellington Street.

Chinatown is a highly sought-after location in the heart of the West End's entertainment district. Last month, Chinatown London was at the centre of the Chinese New Year festivities for the Year of the Snake, the largest celebration in the world outside of China, welcoming thousands of visitors over the 15-day celebration period. Interest in Chinatown, especially from new international entrants is healthy and demand from existing customers is active. Signings include Pan-Asian restaurant concept, SanHao offering hand-pulled noodles and soups. Suzhou Noodle and Noodle & Beer will open new restaurants in the coming months.

39 food & beverage leasing transactions completed with a rental value of £8.2 million, 14.8 per cent ahead of December 2023 ERV. 45 rent reviews totalled £11.6 million, 6.5 per cent above previous passing rents.

- H1 2024: 20 lettings and renewals: £4.0 million, 8.6 per cent ahead of 31 Dec 2023 ERV; and 20.2 per cent ahead of previous passing rents
- H2 2024: 19 lettings and renewals: £4.2 million, 21.1 per cent ahead of 30 June 24 ERV; and 18.0 per cent ahead of previous passing rents

Office (20 per cent of the portfolio by ERV)

Leasing momentum for our prime West End space continues, with occupiers attracted to high quality, well-fitted product, supported by good building and estate amenity. When refurbishing our buildings we aim to meet the evolving requirements of occupiers across a broad variety of sectors, from best-in-class HQ offices at the larger end, to flexible shorter-term, fitted space at the smaller end. With the wide range of office suites on offer, we cater to a broad range of customer needs and provide opportunity for expansion.

Our office portfolio benefits from unrivalled public transport connections, a short walk to a number of West End tube stations including Covent Garden, Charing Cross, Oxford Circus and Tottenham Court Road. Occupiers wish to be surrounded by the buzz of London together with important leisure, retail, and dining amenities adding to employee wellbeing.

There is leasing demand for our prime West End space with increasing levels of customers relocating from other central London locations, as office occupiers recognise the importance of a vibrant atmosphere in attracting and retaining staff. Carnaby and Covent Garden are capturing this demand, with recent lettings to occupiers from the financial and real estate sectors, with occupiers attracted to the space with high amenity value and excellent environmental credentials.

Rents in excess of £100 per square foot are firmly established across our prime portfolio. This includes 68-72 Broadwick Street and The Floral which have an average floor plate of 10,000 square feet. The Floral, is BREEAM Excellent and is highly energy

efficient. It is fully pre-leased in CAT A condition, ahead of completion to two occupiers in the financial sector. Other recent signings include CAT A refurbishments at 22 Ganton Street and The Hide, at rents in excess of £100 per square foot.

During the year, 67 office leasing transactions with a rental value of £14.8 million were concluded 9.8 per cent ahead of December 2023 ERV and 13.2 per cent ahead of previous passing rents. Rent reviews with rental value of £1.4 million completed, 4.0 per cent ahead of previous passing rents.

- H1 2024: 39 lettings and renewals: £10.5 million, 10.3 cent ahead of 31 Dec 2023 ERV; and 17.6 per cent ahead of previous passing rents
- H2 2024: 28 lettings and renewals: £4.3 million, 5.6 per cent ahead of 30 June 24 ERV; and 8.6 per cent ahead of previous passing rents

Residential (10 per cent of the portfolio by ERV)

The residential portfolio is performing well, with continued leasing activity and high renewal rates across the portfolio of 656 residential apartments. Our proposition of characterful period buildings with modern specification located in vibrant, well-managed areas attracts interest from a broad range of customers. During 2024, there has been competitive demand, minimal voids and short leasing windows observed.

During the year 298 residential lettings and renewals with a rental value of £11.2 million completed, 7.1 per cent ahead of previous passing rents. At 31 December 2024 13 units were available to let.

- H1 2024: 118 lettings and renewals: £4.3 million, 3.9 per cent ahead of 31 Dec 2023 ERV; and 7.3 per cent ahead of previous passing rents
- H2 2024: 180 lettings and renewals: £6.9 million, 5.4 per cent ahead of 30 June 24 ERV; and 6.9 per cent ahead of previous passing rents

Creating consumer experiences across our West End Portfolio

We enliven and enhance our vibrant, predominantly pedestrianised, thriving destinations through a thoughtful programme of events, campaigns and engaging consumer experiences throughout the year enhancing footfall, conversion and spend which, through close collaboration with our customers, in turn supports our rental growth prospects.

We continue to see significant growth across our digital platforms including social media. During the year, our level of engagement and number of followers increased by 9 per cent in aggregate across all destinations. We now have direct engagement with over 1.3 million consumers across our channels with portfolio-wide digital collaborations.

Important marketing initiatives across the portfolio include:

- Launch of a new lighting scheme for Covent Garden's Market Building, created in partnership with Paul Smith
- Pride celebrations across the portfolio including a month-long lighting installation in the Market Building
- American Express spend incentive campaigns across Covent Garden and Carnaby | Soho, contributing to spend, brand loyalty and data insights
- A Summer of Sport was celebrated across the portfolio including Formula 1 and E installations and screenings of Wimbledon and the Olympics on the Piazza
- Public art installation in Covent Garden's Market Building by global artists Friends with You and a series of music performances across Carnaby Street and Soho
- A shopping event in partnership with Sheerluxe across Covent Garden and Seven Dials celebrating new openings across the district
- The launch of new brands for Carnaby Street and Soho as well as a dynamic new website for the district
- An immersive Christmas programme across Covent Garden including a new lighting scheme for Seven Dials, charitable campaign with Save the Children, and activations across the Piazza for the Christmas festive period including Jo Malone London, Gisou and Sipsmith
- A new Christmas light installation 'Into The Light' was launched at Carnaby Street together with an extensive Christmas campaign including weekly festive shopping nights and a charity partnership with Global's Make Some Noise
- Chinese New Year with celebrations and campaigns across Chinatown and Covent Garden

Annualised gross income and ERV

At 31 December 2024, annualised gross income had increased by 8.0 per cent (like-for-like) to £202.8 million. ERV was £250.6 million, up 7.7 per cent over the year (like-for-like).

Our creative approach enables the business to deliver rental growth through converting the portfolio's reversionary potential into contracted income and cash flow, whilst establishing new rental tones, the benefit of which is often compounded across nearby buildings.

As at 31 December 2024, the portfolio's reversion was £47.8 million, with the opportunity to grow annualised gross income by 24 per cent before taking into account any further ERV growth. The components of this reversion are set out below.

Components of the reversion

	2024 £m	2023 £m
Annualised gross income	202.8	192.8
Contracted	14.9	17.3
Under offer	3.0	6.2
Available-to-let	6.3	4.7
Under refurbishment	13.5	13.9
Net under-rented	10.1	2.0
ERV	250.6	236.9

High occupancy

At 31 December 2024, EPRA vacancy (including units under offer) was 3.9 per cent of portfolio ERV (2023: 4.9 per cent); 1.3 per cent was under offer and 2.6 per cent was available-to-let.

Under offer

Use	% of portfolio ERV	ERV (£m)	Area ('000 sq. ft.)
Retail	0.2	0.3	6
Food & beverage	0.6	1.5	16
Offices	0.2	0.5	5
Residential	0.3	0.7	12
Total¹	1.3	3.0	39

1. Includes 12 units let on a temporary basis with an ERV of £1.5 million (Dec 2023: £0.7 million).

Available-to-let space

Use	% of portfolio ERV	ERV (£m)	Area ('000 sq. ft.)
Retail	0.3	0.8	8
Food & beverage	0.6	1.5	37
Offices	1.4	3.3	39
Residential	0.3	0.7	13
Total	2.6	6.3	97

Refurbishment activity

Active asset management and refurbishment initiatives continue to unlock income and value as well as enhance environmental performance. The ERV of space under refurbishment amounts to £13.5 million across 161,000 square feet, representing 5.4 per cent of portfolio ERV (2023: 5.9 per cent) which will be delivered over the next 12-18 months. 47 per cent is already pre let representing £6.4 million rental income. Normalised refurbishment activity is expected to represent approximately 5 per cent of the portfolio by ERV.

During the year, £43.1 million of capital expenditure has been incurred, and capital commitments amounted to £24.1 million as at 31 December 2024. This is in line with our guidance of approximately 1 per cent of portfolio value expected to be invested per annum in refurbishment, asset management and repositioning opportunities, including actions to improve energy performance.

Under refurbishment

Use	% of portfolio ERV	ERV (£m)	Area ('000 sq. ft.)
Retail	1.2	3.1	25
Food & beverage	1.4	3.5	44
Offices	2.5	6.1	77
Residential	0.3	0.8	15
Total	5.4	13.5	161

Joint Venture

Shaftesbury Capital owns 50 per cent of the Lillie Square joint venture, a residential estate and consented land located in West London. All figures represent our 50 per cent share. The property valuation as at 31 December 2024 was £65.3 million, in line with the 31 December 2023 valuation of £65.2 million. In addition, Shaftesbury Capital owns £1.9 million of other related assets adjacent to the Lillie Square estate.

In total, 355 Phase 1 and 2 residential apartments have been sold. Over 60 apartments have been leased on a short-term basis generating annual contracted rental income of £3.8 million. The joint venture is in a cash position of £9.7 million (£4.9 million Shaftesbury Capital share). During the year £4.0 million was distributed to each partner.

Commitment to sustainability and environmental stewardship

We are committed to reducing the impact of our operations on the environment, whilst engaging and collaborating with our wide range of stakeholders. We continue to future proof our West End heritage buildings recognising our buildings represent substantial long-term carbon stores. We reduce future operational carbon by improving energy efficiency and minimising embodied carbon emissions through the retention and re-use of structure, façade and materials.

We have reset our comprehensive Net Zero Carbon target to 2040 to align with our Science Based Targets initiative ("SBTi") validated long-term carbon reduction targets. Our rolling programme of energy efficient refurbishments delivers incremental energy performance benefits. 88 per cent of properties are EPC grade A to C by ERV, representing an 8 percentage points increase from the prior year. Furthermore, 70 per cent of commercial EPCs are A or B, which is up 14 percentage points in the year. We continue to focus on low-carbon refurbishment, at modest financial outlay which improves energy efficiency, and aim for a minimum rating of B on all new commercial refurbishment projects.

Detailed aligned energy efficiency analysis has been completed on a selection of our assets, representative of the portfolio. Findings have then been used to assess performance against Carbon Risk Real Estate Monitor ("CRREM") decarbonisation trajectories and identify actions that will be required to reduce carbon emissions including electrification of our buildings. We have continued to improve the coverage and accuracy of our sustainability data, with 67 per cent of landlord supplies on smart meters, an increase from 19 per cent at the end 2023.

We participate in a range of external benchmarks and indices to provide independent verification of our sustainability progress and help identify opportunities. During the year, we published our first EPRA Sustainability Data Report including our first year of combined data as Shaftesbury Capital and achieved a gold award for our reporting. Recognised indices ratings include CDP of B for our climate disclosure, MSCI of BBB and GRESB of 66.

Active community engagement

As an active member of the community, we are committed to engaging with stakeholders across the West End. During the year, we undertook a thorough evaluation of our community investment activity, developing our strategy to reflect local needs and better support the vibrant communities that make our places thrive. Our impact extends beyond our buildings, and we continue to enhance the public realm within and around our portfolio. Through placeshaping we help create healthy, welcoming and thriving locations. These include pedestrianisation, streetscape improvements, providing outdoor seating and schemes to reduce traffic congestion and pollution.

We support community-led initiatives which work with local people contributing to a diverse range of charitable and community initiatives across Camden and Westminster, with a specific focus on supporting educational and employment opportunities for young people and addressing the issues of homelessness and food hardship. Our support includes sponsorship of a student at Westminster University through our Scholar Programme, Young Westminster Foundation's Brighter Futures Fund, and Young Camden Foundation's Heads Up Mental Health Fund. Celebrating International Women's Day, pop up space was provided on Carnaby Street to Smart Works, a UK charity, focusing on getting out of work women back into the workplace.

We have a Community Investment Forum ("CIF") comprising employees from across the business which is responsible for overseeing our programme of community investment. It enables us to review our community investments and consider applications for our community grants.

We also have an established grants fund that offers local charities and groups the opportunity to apply for funding for initiatives which align with our community investment focus areas. Grant recipients include the London Youth Theatre and Native Scientists which will support educational workshops at three Camden schools, connecting pupils with scientists. We continue our support of culture and the arts, including the patronage of the Donmar Theatre in Seven Dials, as well as partnerships with the Society of London Theatres, British Fashion Council and London & Partners.

FINANCIAL REVIEW

Financial highlights

This financial year we delivered continued strong operational and financial performance across the Group. Activity levels across our portfolio have remained consistently high, including in the important fourth quarter for our retail and F&B customers, as evidenced by the vibrancy of our estates, footfall, customer sales, leasing volumes and the strong pipeline. A number of properties and investments were sold at or around valuation with the proceeds being reinvested into our portfolio, property acquisitions and used for debt repayment. During the year, there has been growth in rental income, earnings, dividends, property valuations and net tangible assets per share.

Underlying earnings for the year were £73.0 million, equivalent to 4.0 pence per share, driven primarily by higher net rental income on a like-for-like basis. The Directors have proposed a final dividend of 1.8 pence per share, which when combined with the interim dividend of 1.7 pence results in a total dividend per share in respect of the year of 3.5 pence per share.

The wholly-owned portfolio has been independently valued at £4,973.5 million, reflecting 4.5 per cent like-for-like growth. ERV increased by 7.7 per cent (like-for-like) to £250.6 million and annualised gross income was up 8.0 per cent like-for-like to £202.8 million. The equivalent yield on the portfolio was 4.45 per cent, reflecting an outward movement of 13 basis points over the year.

The sale of selected properties was completed in the year for total proceeds of £158.4 million with an additional £9.8 million having exchanged and due to complete in the first quarter of 2025. Since the merger, total asset disposals of £246.6 million have completed at an overall premium to valuation (before costs), representing approximately five per cent of the portfolio. In addition, in October 2024 the Company sold its 50 per cent shareholding in the Longmartin investment. Total proceeds of £94.5 million were received, comprising £82.9 million for the sale of our 50 per cent equity interest and £11.6 million in respect of repayment of the interest-bearing loan.

During the year, £83.1 million (before costs) was reinvested into asset acquisitions across the portfolio taking acquisitions since merger to £86.0 million.

Overall EPRA NTA (net tangible assets) per share increased by 5.2 per cent from 190.3 pence to 200.2 pence. Combined with the 3.35 pence per share dividend paid to shareholders during the year, the total accounting return for the year is 7.0 per cent. Total shareholder return for the year was -6.9 per cent, reflecting dividends paid and the change in the share price from 138.1 pence to 125.5 pence per share (although the shares were trading well above 150 pence in September 2024). Total property return was 7.6 per cent, representing 0.6 percentage points of outperformance against the MSCI total return index.

We have made significant progress delivering cost savings across the business as we progress towards an effective and efficient organisational structure and cost base. Further income growth from leasing activity and operational efficiencies are expected to be achieved in the year ahead, with the EPRA cost ratio (which measures property-level and administration costs relative to gross rental income) targeted to reduce towards 30 per cent over the medium-term. The adjusted Company EPRA cost ratio is 37.3 per cent, having been reduced significantly since the merger.

Finance costs reflect weighted average cost of net debt of 3.7 per cent based on average net debt of £1.5 billion for the year.

The Group has a strong balance sheet. The EPRA loan to value ratio at 31 December 2024 was 27.4 per cent. There is significant headroom against debt covenants and access to liquidity, comprising cash and undrawn facilities, currently £559.8 million (31 December 2023: £485.7 million).

During the year we completed a range of financing activity, including:

- putting in place a new five-year £75 million unsecured loan facility;
- novation and extension of the £300 million revolving credit facility to December 2028;
- early exercise of the first 12 month extension option on the £350 million unsecured loan (£150 million of which is undrawn), taking its maturity to December 2027; and
- repayment of £95 million of private placement debt which matured in the year.

Net debt at 31 December 2024 was £1.4 billion (31 December 2023: £1.5 billion). Priorities over the forthcoming period are to review opportunities to refinance medium-term maturities as well as consideration of longer-term financing options to evolve our capital structure, taking advantage of the Group's enhanced credit profile.

2024 performance reaffirms our confidence in our strategy, portfolio and business plan. We are focused on delivering our priorities, including sustainable long-term rental growth, growing cash rents, progressing further towards an effective and efficient organisational structure and cost base, and maintaining a strong capital structure.

Alternative performance measures

As is usual practice in the real estate sector, alternative performance measures (“APMs”) are presented for certain indicators, including earnings, earnings per share and EPRA net tangible assets, making adjustments set out by EPRA in its Best Practice Recommendations. These recommendations are designed to make the financial statements of public real estate companies more comparable across Europe, enhancing the transparency, comparability and coherence of the sector.

One of the key performance measures which the Group uses is underlying earnings. The underlying earnings measure reflects the underlying financial performance of the Group’s West End property rental business and is a relevant metric in determining dividends. The measure aligns with the main principles of EPRA earnings. EPRA earnings excludes valuation movements on the wholly-owned, joint venture and associate properties, profit or loss on disposal of investment properties and investment in associates, fair value changes of financial instruments and listed investments, cost of early close out of debt, gain on bargain purchase, IFRS 3 merger-related transaction costs and, following updated guidance issued by EPRA in 2024, adjustments in relation to any other non-operating and exceptional items. These include:

- The fair value movement of the option component of the exchangeable bond as such movements do not reflect the underlying performance of the Group.
- £3.3 million (31 December 2023: £8.7 million) of merger-related integration and other non-underlying costs have been incurred, which do not relate to the ongoing operations of the Group.
- Following the completion of the all-share merger in March 2023, a fair value exercise was performed on the Shaftesbury PLC balance sheet as at 6 March 2023, resulting in the fair value of the debt determined to be £945.6 million compared to the nominal value of £1,019.8 million (including an adjustment to the investment in Longmartin arising from the fair value adjustment of the underlying debt in the associate). The outstanding balance of the fair value adjustment will be amortised to other finance costs over the remaining term of the debt facilities. In the prior year, EPRA earnings were adjusted by £24.6 million, to reflect the accelerated unwind of the fair value adjustment following the early redemption of the Chinatown and Carnaby bonds in April 2023. The current year amortisation of the fair value adjustment for the other debt facilities of £6.1 million (2023: £5.2 million) has been adjusted from EPRA earnings. On the sale of our 50 per cent share of Longmartin, the £1.4 million fair value balance remaining has been recognised in the loss on sale of associate.

In calculating underlying earnings, additional adjustments are made to EPRA earnings to exclude the financial performance of the Lillie Square joint venture, associated tax adjustments and the interest receivable on the loan issued to the joint venture by the Group. Lillie Square is not considered to be a core part of the operations of the Group and therefore its results are not included in underlying earnings.

Further details on APMs used and how they reconcile to IFRS are set out on page 50.

Presentation of information

The all-share merger of Capital & Counties Properties PLC (“Capco”) and Shaftesbury PLC to create Shaftesbury Capital PLC (“Shaftesbury Capital”) completed on 6 March 2023. The financial review sets out the results of Shaftesbury Capital with the statement of comprehensive income for the prior period reflecting the standalone performance of Capco for the period from 1 January to 6 March and the performance of the merged business, Shaftesbury Capital, between the completion date of 6 March and 31 December 2023.

Reflecting the Company’s focus primarily on the wholly-owned portfolio, all information is presented on an IFRS basis.

FINANCIAL PERFORMANCE

SUMMARY STATEMENT OF COMPREHENSIVE INCOME

The 2023 summary statement of comprehensive income represents the standalone performance of Capco for the period to 6 March 2023 and that of Shaftesbury Capital from that date to 31 December 2023.

	2024 £m	2023 £m
Gross profit	167.1	141.9
Gain/(loss) on revaluation and sale of investment property	194.6	(65.0)
Change in fair value of listed equity investment	-	52.0
Other income	-	2.7
Administration expenses ¹	(42.7)	(83.8)
Net finance costs ²	(57.2)	(51.9)
Profit from joint ventures and associates	4.5	0.2
Loss on sale of associates	(4.0)	-
Taxation	(0.3)	(0.2)
Other ³	(9.9)	(51.0)
	252.1	(55.1)
Gain on bargain purchase	-	805.5
Profit for the year	252.1	750.4
Basic earnings per share	13.8p	45.5p
EPRA earnings ⁴	75.3	67.9
EPRA earnings per share ⁴	4.1p	4.1p
Underlying earnings ⁴	73.0	60.4
Underlying earnings per share ⁴	4.0p	3.7p
Weighted average number of shares⁵	1,821.7m	1,648.9m

- Administration expenses include £3.3 million of non-underlying costs (2023: £44.5 million), substantially related to merger-related transaction and integration costs, which are considered non-recurring in nature.
- Excludes other finance income and costs and change in fair value of derivative financial instruments (included in 'Other' above).
- Includes impairment of other receivables, other finance income and costs including the change in fair value of derivatives and amortisation of the fair value adjustment relating to the Shaftesbury debt.
- Further details regarding EPRA and Underlying earnings are disclosed in note 3 'Performance measures'. The 2023 comparative for EPRA earnings and EPRA earnings per share has been restated from £45.0 million, 2.7 pence per share, to £67.9 million, 4.1 pence per share, following the changes to the EPRA earnings definition during 2024.
- In total, 1,953.2 million shares were in issue as at 31 December 2023 and 2024. The weighted average number of shares of 1,821.7 million shares excludes 128.4 million own shares, of which 127.0 million are held as collateral for the exchangeable bond and 3.1 million shares held by the Group's approved Employee Benefit Trust (both of which form part of the overall number of shares in issue of 1,953.2 million).

Gross profit

	2024 £m	2023 £m
Rent receivable	197.2	171.9
Straight lining of tenant lease incentives ¹	7.8	3.9
Service charge income	22.1	19.3
Revenue	227.1	195.1
Expected credit loss provision	(3.9)	(2.0)
Property expenses ¹	(33.1)	(31.1)
Service charge expenses	(22.1)	(19.3)
Tenant lease incentives loss allowance	(0.9)	(0.8)
Gross profit	167.1	141.9

- 2023 includes £5.1 million charge relating to the change in accounting policy to reflect the adjustment to amortisation period for tenant lease incentives and deferred letting fees. £4.1 million of the adjustment was recognised through the straight lining of tenant lease incentives and £1.0 million in property expenses.

Rent receivable has increased by 5.7 per cent like-for-like compared with the pro forma 12 month period for 2023 reflecting the positive letting activity across the portfolio. Rental income receivable has been reduced in the year by £2.9 million reflecting the impact of disposals in 2023 and 2024, offset by a £2.7 million contribution from acquisitions. Cash collections have continued to be strong with 98 per cent collected in the year. However the expected credit loss provision has increased during the year to £3.9 million due to a limited number of customer administration or anticipated failures in early 2025.

The gross to net profit margin, excluding service charge income and expense, is 81.6 per cent having increased from 80.7 per cent in 2023. The improvement reflects the growth in income as well as cost savings delivered in the year. Further enhancements are expected in the medium-term.

Gain/(loss) on revaluation and sale of investment property

The market valuation of the wholly-owned portfolio has increased by 4.5 per cent like-for-like since December 2023 to £4,973.5 million. ERV increased by 7.7 per cent (like-for-like) to £250.6 million and the equivalent yield was 4.45 per cent, reflecting an outward movement of 13 basis points. This represents an equivalent yield of 4.6 per cent on the commercial portfolio, excluding residential properties.

The gain on revaluation of £202.9 million, is based on the carrying value of the property portfolio after adjustments for lease incentives and capital expenditure.

Several properties, including the majority of the Fitzrovia portfolio, have been disposed of during the year for gross proceeds of £158.4 million. Based on the opening book value and sale costs, a loss of £8.3 million has been recognised during the year, although on an overall basis since the merger, a premium has been achieved (before costs).

Administration expenses

	2024 £m	2023 £m
Depreciation	0.3	0.4
Other administration expenses	39.1	38.9
Underlying administration expenses	39.4	39.3
Merger-related transaction costs	-	35.8
Merger-related integration and non-underlying administration expenses	3.3	8.7
Administration expenses	42.7	83.8

Underlying administration expenses of £39.4 million have been incurred during the year. As part of delivering cost efficiencies, one-off integration and other costs of £3.3 million have been incurred in the year. The administrative cost base has been reduced significantly since the merger, primarily as a result of efficiencies, removal of areas of duplication and overlap, and headcount reduction.

Similarly the EPRA cost ratio has been reduced significantly from its pro forma level of over 50 per cent at the time of the merger. However over the medium-term the Group is targeting further improvements towards 30 per cent from its current level of 37.3 per cent, driven by growth in rental income and rigorous management of irrecoverable property costs and administration expenses.

Net finance costs

Finance costs of £72.0 million have been incurred in the year with the average drawn debt balance being £1.6 billion, reducing to £1.5 billion at 31 December 2024.

Finance income of £14.8 million in the year comprises £9.8 million in relation to interest rate hedging arrangements and £5.0 million interest on cash held on deposit. Protection is currently in place in relation to the interest rate exposure on the Group's expected drawn variable rate debt until the end of 2025 through caps and collars. It is expected that further interest rate hedging arrangements will be put into place in due course in relation to variable rate exposure for future years.

Profit from joint ventures and associates

Our share of Longmartin's post-tax profit was £4.5 million for the period up to sale of our 50 per cent interest. Our share of the revaluation gain was £3.9 million, offset by a deferred tax movement of £1.2 million. Excluding the revaluation and fair value adjustment on debt of £0.6 million, and including the £0.4 million interest received on the interest-bearing loan provided to the associate, our share of underlying earnings from Longmartin was £2.8 million. £1.2 million of dividends were received during the period prior to sale.

Loss on sale of associates

Pursuant to the terms of the Longmartin investment (previously forming three per cent of the Group's property portfolio), the merger triggered the right for the partner to require the Company to offer to sell its shares in the Longmartin investment to them (or to a third-party purchaser identified by them). The partner elected to acquire the Company's shares in the Longmartin investment with the sale completing in October 2024. Total proceeds of £94.5 million were received with £11.6 million repayment of the interest-bearing loan provided to the associate and £82.9 million for the sale of our 50 per cent share. Based on the investment value as at 24 October 2024, and including disposal costs, a loss of £4.0 million has been recorded.

Taxation

The Group continues to satisfy the requirements to qualify for REIT status. As the Group's income is derived substantially from qualifying property rental business activities within the REIT regime, the majority of its income is exempt from tax. There is a tax charge of £0.3 million in the year (2023: £0.2 million), arising mainly in respect of finance income.

Dividends

The Board has proposed a final dividend of 1.8 pence per share, bringing the total dividend to 3.5 pence per share reflecting progression in underlying earnings and cash generation. The total gross dividend payable is £35.1 million of which £2.3 million relates to the Group entity which holds 128.4 million shares in relation to the exchangeable bonds. The entity has provided an undertaking not to exercise its voting rights in respect of such ordinary shares but will receive the proposed dividend, the majority of which should subsequently be retained by the Group following the dividend threshold test as set out in the exchangeable bond conditions. In addition, the dividend will not be paid in relation to the 3.1 million shares held by the Group's approved Employee Benefit Trust.

The dividend is to be paid wholly as a PID on 30 May 2025 to shareholders on the register at 25 April 2025.

SUMMARY BALANCE SHEET

	31 December 2024 £m	31 December 2023 £m
Property portfolio ¹	4,929.0	4,760.4
Investments in joint ventures and associates	-	83.4
Net debt ²	(1,405.0)	(1,499.1)
Other assets and liabilities	150.3	135.5
Net assets	3,674.3	3,480.2
EPRA net tangible assets	3,671.1	3,479.4
EPRA net tangible assets per share (pence)	200.2p	190.3p
Adjusted, diluted number of shares³	1,833.3m	1,828.8m

1. Includes £20.1 million (2023: £20.2 million) accounted for as owner-occupied property and £9.8 million (2023: £nil) accounted for as held for sale. The market value of the property portfolio is £4,973.5 million (2023: £4,795.3 million).

2. Net debt based on nominal value of debt drawn less cash, excluding tenant deposits of £14.2 million (2023: £14.5 million).

3. Number of shares excludes 128.4 million shares held in relation to the exchangeable bond and 3.1 million within an approved Employee Benefit Trust. Total shares in issuance, including these components, was 1,953.2 million shares.

EPRA NTA

EPRA NTA per share increased by 5.2 per cent to 200.2 pence, due primarily to the like-for-like increase in the valuation of the property portfolio.

Following the completion of the merger in 2023, the Shaftesbury debt which had an overall nominal value of £384.8 million (2023: £444.8 million - included the debt in relation to our share of the Longmartin investment), was fair valued and was held at £348.5 million as at 31 December 2024 (2023: £400.4 million). This difference of £36.3 million (2023: £44.4 million), or 2.0 pence (2023: 2.4 pence) in terms of EPRA NTA per share, will reverse as the balance sheet value of the debt accretes to nominal value over the remaining term of the debt. The impact of this unwind is excluded from underlying earnings.

Property portfolio

The carrying value of the wholly-owned portfolio as at 31 December 2024 is £4,929.0 million, including £20.1 million and £9.8 million classified as owner-occupied and held for sale respectively. During the year, a number of properties have been sold with an opening carrying value of £163.8 million for gross proceeds of £158.4 million.

£83.1 million, before transaction costs, has been reinvested into asset acquisitions. In March 2024, we completed the acquisition of 25-31 James Street, Covent Garden for £75.1 million. In addition, we have acquired two properties on Broadwick Street and Marshall Street for £8.0 million. Subsequent capital expenditure during the year on the wholly-owned portfolio was £43.1 million predominantly for office refurbishment activity in Covent Garden.

The market valuation of the wholly-owned property portfolio of £4,973.5 million was 4.5 per cent higher on a like-for-like basis compared with 31 December 2023. ERV increased by 7.7 per cent (like-for-like) to £250.6 million and the equivalent yield was 4.45 per cent, reflecting an outward movement of 13 basis points, two-thirds of which was in the first half.

Total property return for the year was 7.6 per cent. The MSCI Total Return Index recorded performance of 7.0 per cent for the year, resulting in outperformance of 0.6 percentage points.

Investment in joint ventures and associates

Following the sale of our 50 per cent investment in the Longmartin associate in October 2024, the remaining investment held at 31 December 2024 is our 50 per cent joint venture interest in Lillie Square.

The property valuation as at 31 December 2024 was £65.3 million, in line with the 31 December 2023 valuation of £65.2 million. The majority (65 per cent) of this value relates to completed apartments in phases 1 and 2 of the project, with the balance representing investment properties and consented land. Over 60 apartments have been leased on a short-term basis generating annual contracted rental income of £3.8 million. Our share of net cash in the joint venture was £4.9 million and there is no external debt. During the year a repayment of £4.0 million of the interest-bearing loan provided to Lillie Square was received.

Debt and gearing

The Group maintains a strong financial position, with diversified sources of funding, a spread of debt maturities, significant headroom against debt covenants, access to liquidity, modest capital commitments, substantial unencumbered asset value and interest rate hedging in place for 2025.

The Group's cash and undrawn committed facilities as at 31 December 2024 were £559.8 million (2023: £485.7 million). As at 31 December 2024, the Group had capital commitments of £24.1 million.

	31 December 2024 £m	31 December 2023 £m
Cash and cash equivalents ¹	109.8	185.7
Undrawn committed facilities	450.0	300.0
Cash and undrawn committed facilities	559.8	485.7
Commitments	(24.1)	(24.8)
Available resources	535.7	460.9

1. Excludes tenant deposits of £14.2 million (2023: £14.5 million).

The loan-to-value ("LTV") ratio at 31 December 2024 was 28.2 per cent and EPRA LTV was 27.4 per cent. This is comfortably within the Group's limit of no more than 40 per cent. Net debt to EBITDA has reduced from 13.9 to 10.9 times.

	31 December 2024 £m	31 December 2023 £m
Cash and cash equivalents	109.8	185.7
Debt at nominal value	(1,514.8)	(1,684.8)
Net debt	(1,405.0)	(1,499.1)
Loan-to-value	28.2%	31.3%
EPRA loan-to-value	27.4%	30.9%
Net debt to EBITDA	10.9x	13.9x
Interest cover	292.1%	288.4%
Interest cover excluding non-underlying admin costs	223.3%	212.7%
Weighted average debt maturity – drawn facilities	4.6 years	5.0 years
Weighted average cost of debt – gross ¹	4.0%	4.2%
Weighted average cost of debt – net	3.7%	3.4%
Drawn debt with interest rate protection ²	100%	100%

1. As at 31 December 2024 the weighted average cost of debt reduces to an effective running cash cost of 3.7 per cent (2023: 3.4 per cent) taking account of interest on cash deposits and interest rate caps and collars.

2. Taking account of interest on cash deposits and interest rate caps and collars.

At 31 December 2024, Group net debt was £1.4 billion. During the year a new £75 million unsecured loan facility was entered into as well as refinancing the £300 million revolving credit facility, extending the debt maturity to 2028. In addition, the first 12 month extension option on the £350 million unsecured loan (£150 million of which is undrawn) has been exercised early, taking its maturity to December 2027. £95 million of private placement debt matured during the year.

The current weighted average cash cost of drawn debt is 4.0 per cent (2023: 4.2 per cent) which reduces to an effective cash cost of 3.7 per cent (2023: 3.4 per cent) taking into account interest income on cash deposits and the benefit of interest rate hedging. As maturing debt is repaid or refinanced, it is currently anticipated that the weighted average cost of debt will increase.

All of the Group's drawn debt is at fixed rates or currently has interest rate protection in place until the end of 2025, taking into account interest on cash deposits. £250 million of hedging is in place until the end of 2025 which provides for a cap of 3.0 per cent and a floor of 2.0 per cent on SONIA exposure.

Priorities over the forthcoming period are to refinance medium-term debt maturities as well as consideration of longer-term financing options to evolve our capital structure, taking advantage of the Group's enhanced credit profile.

CASH FLOWS

Movement in cash flow	£m
Cash, excluding tenant deposits, as at 31 December 2023	185.7
Operating inflow	52.0
Investing inflow	103.2
Financing outflow	(170.0)
Dividends paid	(61.1)
Cash, excluding tenant deposits, as at 31 December 2024	109.8

The overall balance of cash was reduced by £75.9 million to £109.8 million as at 31 December 2024. This is largely due to:

- Operating cash inflows of £52.0 million reflecting growing gross profit and continuing high levels of cash collection, partly offset by administrative and finance costs. The inflow is further reduced for the payment of non-underlying merger-related integration costs and non-underlying transaction costs for property acquisitions and disposals in the year.
- Investing cash inflows of £103.2 million, including £136.6 million gross proceeds from the sale of several properties offset by £47.3 million capital expenditure and £83.1 million for the acquisition of 25-31 James Street, Broadwick Street and Marshall Street. £94.1 million was received on the sale of our interest in Longmartin as well as a £1.2 million dividend during the year. A £4.0 million loan repayment from the Lillie Square investment was also received.
- The £170.0 million financing outflow reflects the net movement in facilities drawn and repaid in the year. £3.1 million of costs have been incurred on the arrangement of new facilities in the year.
- Total dividends paid in the year excludes the £4.3 million paid to the Group entity which holds 128.4 million shares as security under the terms of the exchangeable bonds. Following the dividend threshold test, as set out in the exchangeable bond conditions, substantially all the dividend was subsequently retained by the Group.

Going concern

Further information on the going concern assessment is set out in note 1 'Principal accounting policies'.

The Company has a strong balance sheet with EPRA loan-to-value of 27.4 per cent, group interest cover of nearly three times before administrative costs, and access to cash and undrawn facilities of £559.8 million as at 31 December 2024. There remains sufficient liquidity and debt covenant headroom even in a downside "severe but plausible" scenario.

There continues to be a reasonable expectation that the Group will have adequate resources to meet both ongoing and future commitments for at least 12 months from the date of signing these financial statements. Accordingly, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing the 2024 Annual Report.

Situl Jobanputra

Chief Financial Officer
26 February 2025

PRINCIPAL RISKS AND UNCERTAINTIES

EFFECTIVE RISK MANAGEMENT

Risk management

The Board has overall responsibility for Group risk management. It determines its risk appetite and reviews principal risks and uncertainties regularly, together with the actions taken to mitigate them. The Board has delegated responsibility for the review of the adequacy and effectiveness of the Group's internal control framework to the Audit Committee.

Risk is a standing agenda item at management meetings. This gives rise to a more risk-aware culture and consistency in decision-making across the organisation in line with the corporate strategy and risk appetite. All corporate decision-making takes risk into account, in a measured way, while continuing to drive an entrepreneurial culture. The Executive Committee is responsible for the day-to-day commercial and operational activity across the Group and is, therefore, responsible for the management of business risk.

The Executive Risk Committee, comprising the Chief Executive, Chief Financial Officer, members of the Executive Committee, General Counsel, Group Financial Controller, Director of Transformation and Technology, Head of Sustainability and Head of Health and Safety, is the executive level management forum for the review and discussion of risks, controls and mitigation measures. The corporate and business division risks are reviewed on a regular basis by the Executive Risk Committee, so that trends and emerging risks can be identified and reported to the Board.

Senior management from each part of the business identify and manage the risks for their area or function on a day-to-day basis and maintain a risk register. The severity of each risk is assessed through a combination of each risk's likelihood of an adverse outcome and its impact. In assessing impact, consideration is given to financial, reputational and regulatory factors, and risk mitigation plans are established. A full risk review is undertaken annually in which the risk registers are aggregated and reviewed by the Executive Risk Committee. The Directors confirm that they have completed a robust assessment of the principal and emerging risks faced by the business, assisted by the work performed by the Executive Risk Committee.

Risk appetite statement

The Group risk appetite statement is designed to set the right tone at the top for the Group and support decision-making at a strategic level by the Board and the Executive Committee. This statement provides guiding principles to support decision-making at both a Board and senior management level. The Group's risk appetite statement is reviewed and updated by the Board at appropriate intervals and, in any event, on an annual basis. The Group's risk appetite statement has been communicated to senior management who are responsible for incorporating the identified principles in decision-making. The Group's risk appetite statement is as follows:

"We invest to create thriving destinations in London's West End where people enjoy visiting, working and living. We use our expertise in property investment and our commitment to a strong balance sheet to take commercial risks in a measured way, so that we are able to deliver sustainable growth and long-term returns for our shareholders.

We are risk averse in relation to the impact of our business on the environment and on the health and safety of our people and the public, and it is a key priority for us that our business operates in compliance with laws, regulations and our contractual commitments."

Investing in one location presents an inherent geographic concentration risk and there are certain external factors which the Group cannot control. However, in executing the Group's strategy, we seek to minimise exposure to operational, reputation and compliance risks, recognising that our appetite to risk varies across different elements of the strategy. Recognising that risk appetite is not an "absolute", the Group may move higher or lower on the risk curve, as circumstances dictate.

Assessing risk

Risks are considered in terms of the likelihood of occurrence and their potential impact on the business. In assessing impact, a number of criteria are considered, including the effect on our strategic objectives, operational or financial matters, our reputation, sustainability, stakeholder relationships, health and safety and regulatory issues. Risks are assessed on both gross (assuming no controls are in place) and residual (after mitigation) bases.

To the extent that significant risks, failings or control weaknesses arise, appropriate action is taken to rectify the issue and implement controls to mitigate further occurrences. Such occurrences are reported to the Audit Committee. The Group's processes and procedures to identify, assess, and manage its principal risks and uncertainties were in place throughout the year and remained in place up to the date of the approval of the 2024 Annual Report.

Internal controls

The main elements of the Group's internal control framework are set out below:

- Clear remit, terms of reference and schedule of matters for the Board and its Committees
- Close involvement of the Executive Committee in the day-to-day operations of the business, with regular meetings with senior management
- Delegated authority limits
- Daily monitoring of risks and controls by management
- Formal assessment by the Executive Risk Committee of strategic and emerging risks and the related controls or mitigations, with reporting to the Audit Committee
- Regular Board updates on operations, IT systems and cyber security
- Transparent tax strategy, published on the Group's website, which sets out the approach to tax risk management and governance
- Whistleblowing policy and hotline procedures, where employees and third parties may raise any matters of concern confidentially, are reviewed by the Audit Committee annually

Specific controls relating to financial reporting and consolidation process include:

- Appropriately staffed management structure, with clear lines of responsibility and accountability
- A comprehensive budgeting and review system
- Board and Audit Committee updates from the Chief Financial Officer and Group Financial Controller, which include forecasts, performance against budget and financial covenants
- Formal reviews of the effectiveness of financial, operational and compliance controls by management and external advisers are reported to the Audit Committee
- BDO LLP ("BDO"), appointed as internal auditor of the Group, conducts regular audits of the Group's control procedures and reports its findings to the Audit Committee

Risk outlook

During 2024, despite the challenging macro-economic backdrop and elevated geopolitical risk and volatility, we continued to deliver positive operational performance across the portfolio, reflecting the benefits of the Group's active asset management, together with the exceptional qualities and long-term resilience of the West End. Strong leasing demand continued across all uses, leading to high occupancy levels and strong rent collection.

The long-term impact of the macroeconomic and geopolitical factors, in particular evolving inflationary pressures and interest rates, on the future demand for, and use of, lettable space, evolution of consumer behaviour and travel patterns remain a consideration and the Board continues to monitor this.

Many of the Group's customers are exposed to the changes and challenges facing the retail and food & beverage sectors, including macroeconomic factors around the UK budget, such as availability and cost of credit for customers and their businesses, the potential for the level of consumer spending to be impacted by cost-of-living pressures, business and consumer confidence, inflation rates, energy costs, supply chain disruption, labour shortages and other operational costs.

If current global or UK macroeconomic conditions deteriorate this could impact UK real estate markets, resulting in downward pressure on the valuation of the Group's properties and gross rental income.

The Group's operations may be adversely affected if it fails to comply with climate and environmental regulation or its own environmental, social or governance standards. Operations may also be adversely affected by climate and environment related risks, which could lead to significant costs to mitigate environmental impacts.

Emerging risks

The Group monitors emerging risks to identify and assess those risks that may potentially impact upon its strategic plans. These risks are circumstances or trends which are often evolving rapidly which could significantly impact on the Group's financial strength, competitive position or reputation within the next three years or over the longer term. Generally, the impact and probability of occurrence are not yet fully understood and, consequently, necessary mitigations have not yet fully evolved.

The Group conducts a horizon scanning exercise to identify potential risks and emerging trends which may be impactful in the future. Based on this exercise, the most relevant emerging risks and opportunities are assessed to establish relevance and identify any additional remediation required. The prioritised emerging risks are further reviewed and validated by senior management to gain a better understanding of their impact and to develop strategies to address them. A non-exhaustive list of emerging risks is outlined below.

Emerging risks with a one-to-three-year time horizon include:

- UK political uncertainty and evolving geopolitical conditions;
- UK corporate reform and landlord/tenant legislation changes;
- Building Safety Act and changes to UK property valuation methodologies and practices;
- Green energy and sustainability priorities; and
- Disruptive technological advancements, which may include areas such as artificial intelligence, blockchain and metaverse.

Emerging risks with a longer-term horizon include:

- Changes in social dynamics, demographic shifts and trends in space usage, urbanisation and consumption and travel patterns;
- Longer-term climate change impacts;
- Consumer behaviour;
- Impact of digital currencies on consumer behaviour; and
- Residential rent control and regulatory tax changes.

Principal risks and uncertainties

The Group's principal risks and uncertainties, which are set out on the following pages, are reflective of where the Board has invested time during the year. Following a detailed review of the principal risks post-merger, certain risks have been disaggregated in the current year to clearly align the mitigating actions to the respective risks. This is reflected below. These principal risks are not exhaustive. The Group monitors a number of additional risks and adjusts those considered 'principal' as the risk profile of the business changes. See also the risks inherent in the compilation of financial information, as disclosed in note 1 'Principal accounting policies' within 'Critical accounting judgements and key sources of estimation and uncertainty'.

2024 Risk	Change in the year
Economic and political	Stable
Portfolio	Stable
Operational resilience	Stable
Leasing and asset management	Stable
People	Stable
Climate change	Stable
Compliance with law and regulations	Stable

Risk	Impact on Strategy	Mitigation
Economic and political		
Impact of uncertain interest rate environment and lack of availability or increased cost of debt or equity funding Inflationary pressures on operating costs, including energy and the cost-of-living Adverse impact on business and consumer confidence, increased material costs, prolonged supply chains and reduced labour supply Decline in real estate valuations due to macroeconomic conditions Persistent significant discount in the share price relative to EPRA NTA Uncertain political climate and/or changes to legislation and policies following change in Government	Reduced property return Reduced rental income and/or capital values as customers could suffer staff shortages, increased costs, longer lead times and lower availability of inventory Higher operating and finance costs Reduced financial and operational flexibility	Maintain appropriate liquidity to cover commitments Target longer and staggered debt maturities, and diversified sources of funding Early refinancing of debt maturities Covenant headroom monitored and stress tested Fixed rate financing and derivative contracts to provide interest rate protection Monitoring proposals and emerging policy and legislation, with industry lobbying where appropriate Engagement with key stakeholders and local authorities
Change in 2024: Stable Context and actions taken: The Group focuses on prime assets in the West End of London which historically have proved to be economically resilient. The Group has had a long-term focus on maintaining a strong balance sheet, with sufficient liquidity and debt covenant headroom, to ensure it is able to withstand market volatility and take advantage of opportunities. As at 31 December 2024, the Group has access to cash and undrawn facilities of £559.8 million. Extensive forecasting, stress testing and modelling of various scenarios has been undertaken, including sensitivities arising from the current macroeconomic environment, to help plan for future impacts on the business. Funding, debt and treasury metrics are monitored on a continual basis with a focus on preserving liquidity and capital. A downside scenario has been analysed in connection with the going concern assessment, details of which are set out in note 1 'Principal accounting policies' within 'Going concern'. The financial statements have been prepared on a going concern basis. We remain in close dialogue with local authorities to understand future plans and work constructively to position the estate in the best possible manner.		
Portfolio		
Inability of the Group to adopt the appropriate strategy or to react to changing market conditions or changing consumer behaviour Portfolio concentration Volatility in the investment market	Inability to deliver business plan or a structural change to the business plan impacting returns or capital values	Focus on prime assets, locations and uses where, in normal conditions, there is a structural imbalance between availability of space and demand Establish asset clusters to provide the opportunity to drive long-term growth and returns Regular assessment of investment market conditions including bi-annual external valuations Regular strategic analysis with focus on creating mixed-use destinations and residential districts with unique attributes Reconfigure and repurpose space to respond to, and anticipate, changing customer demand.

Portfolio risk continued		
Change in 2024: Stable Context and actions taken: The Group focuses on prime assets in the West End of London primarily in the retail and food & beverage sector. The value of control over areas brings the ability to curate and drive growth over the long term. We actively promote our areas to drive footfall and curate areas to maintain places that are popular. Sustained customer demand has led to low vacancy levels with consistently high footfall. Through regular dialogue with potential and current customers and regular assessments of the market, we are able to better understand market demand and reconfigure space as appropriate.		
Operational resilience		
Misconduct or poor operational or sustainability standards Poor performance from one of the Group's third-party advisers and contractors Catastrophic event such as a terrorist attack, natural disaster, health pandemic or cyber security crime	Reduced rental income, higher operating costs, and/or reduced capital values Reduced financial and operational flexibility Diminishing London's status Business disruption or damage to property Reputational damage	Supplier procurement policy and regular monitoring of external advisers Engagement with key stakeholders and local authorities Building reinstatement, loss of rent and terrorist insurance Detailed business continuity and crisis communication plans in place On-site security and cyber security in place Health and safety policies and procedures Close liaison with police, National Counter Terrorism Security Office (NaCTSO) and local authorities
Change in 2024: Stable Context and actions taken: Whilst being invested in one area is a risk, the Group's ownership in prime West End real estate is also a strength and an opportunity, providing control and allowing curation of the area to maintain places that are popular. Given the high-profile nature of the Group's assets, the risk of an external event is inevitably heightened. It is therefore important that the Group maintains recommended levels of insurance and implements effective security and health and safety policies. Business continuity plans for both employees and service providers, including introduction of external resources, if required, and other policies have been reviewed together with HR policies, technology and communication where appropriate. IT security systems that support data security and disaster recovery are in place. Cyber security and its impact on data and IT infrastructure, including both widespread risks such as state-sponsored cyber-attacks and those targeted directly at our systems and data continues to be a key focus, with support from external advisers, including specialist consultants, to ensure appropriate controls and security protocols are in place. Employees are provided with regular cyber security and phishing training.		

Leasing and asset management		
Inability to achieve target rents or to attract target customers due to market conditions Competition from other locations/formats Unfavourable planning/licensing policy, legislation or action impacting on the ability to secure approvals or consents	Decline in customer demand for the Group's properties Reduced income and increased vacancy Reduced return on investment and development property	High quality customer mix Strategic focus on creating mixed-use destinations with unique attributes Engagement with local and national authorities Pre-application and consultation with key stakeholders and landowners Regular assessment of market conditions and development strategy Business strategy based on long-term returns
Change in 2024: Stable Context and actions taken: The Group takes measured risks by using its expertise in place-making and creative and active asset management to deliver long-term value through rental growth and attracting new customers. During 2024, leasing activity remained strong, with high occupancy levels reflecting the strength of demand for prime central London real estate. Many of the Group's customers are exposed to the changes and challenges facing the retail and food & beverage sectors, including macroeconomic factors, such as availability and cost of credit for customers and their businesses, the potential for the level of consumer spending to be impacted by cost-of-living pressures, business and consumer confidence, inflation rates, energy costs, supply chain disruption, labour shortages and other operational costs. The Group looks for opportunities to create or enhance value in the portfolio through the planning process, cognisant of the risks but using our experience and skill to deliver our objectives. The Group has a focused leasing and marketing strategy, ensuring the business is well-positioned. The Group regularly engages with suppliers to understand their ability to meet our requirements and standards.		
People		
Inability to retain and recruit the right people and develop leadership skills within the business Key person risk as the Group has a relatively limited headcount	Inability to execute strategy and business plan Constrained growth, lost opportunities Pressure on corporate costs	Succession planning, performance evaluations, training and development Long-term and competitive incentive rewards Flexible and modern working practices
Change in 2024: Stable Context and actions taken: The success of the business is down to a dedicated team of skilled and talented individuals working collaboratively together. The health and well-being of our people is of the utmost importance including the ability to create a culture and environment that allows each person to grow, develop and perform to the best of their abilities. There remains a risk of illness or absence across employees, management or service providers which would disrupt the day-to-day activities of the Group's business and running of the estate. Team communication strategies have been implemented to ensure managers can adequately supervise and support employees where they are working from home. Recruiting and on-boarding policies have been adjusted where necessary to ensure that the business is able to continue to attract, develop and retain the best possible resources. We continue to monitor closely employees' mental and physical well-being and the health and safety of our employees and service providers remains a top priority with regular seminars and webinars from external experts.		

Climate change		
Physical impact on our assets from rising temperatures or other extreme climate-related event such as flooding Transitional challenge of increasing and more onerous compliance and reporting requirements, as well as retrofitting, insuring or leasing our heritage assets on an appropriate whole life carbon basis Inability to keep pace with customer and consumer demand for proactive action to manage and mitigate climate-related risk	Reduced income, capital values or business disruption Increased operating costs to meet reporting and target metrics and compliance Increased capital costs of retrofitting, or inability to resolve listed building or planning challenges, leads to buildings becoming carbon stranded Reduced income through lower rents and longer void periods due to reduced customer demand	Company manages climate-related risks and opportunities and sustainability team in place Net Zero Carbon target has been reset to 2040 to align with the Science Based Targets initiative long-term carbon reduction targets. For more detail on the mitigation measures in place for climate risk, please refer to the Group's TCFD disclosures in the 2024 Annual Report as well as the Group's Net Zero Carbon Pathway. Active management plan with external reporting via recognised indices and benchmarks, including EPRA, CDP, MSCI and GRESB Continued engagement with stakeholders in order to preserve heritage buildings, while enhancing environmental performance Pro-active customer and consumer engagement programme and setting of appropriate climate-related targets on both development and operations
Change in 2024: Stable Context and actions taken: The Group believes in taking a responsible and forward-looking approach to environmental issues and the principles of sustainability. The Group recognises the urgent responsibility to tackle climate change and is committed to meeting our 2030 carbon reduction targets and has reset our Net Zero Carbon target to 2040 to align with the Science Based Targets initiative ("SBTi") long-term carbon reduction targets. As a long-term steward of the West End, the Group understands the benefits of a strong track record of restoring and celebrating the heritage of the area through considered refurbishments and developments. The Group has made material progress in the decarbonisation of the portfolio. We are at a critical point for action and will continue our efforts in 2025 to reduce greenhouse gas emissions in our buildings and operations. This requires more innovative and sustainable ways of working, and includes our supply chain partners across development and operational disciplines, our customers, as well as our corporate actions.		
Compliance with law and regulations		
Breach of legislation, regulation or contract Inability to react to or anticipate legal or regulatory changes, including potential changes to the Landlord and Tenant Act or other associated reforms Accidents causing loss of life or very serious injury to employees, contractors, customers and visitors to the Group's properties; or near misses of the same Exit from REIT regime due to non-compliance with REIT requirements	Prosecution for non-compliance with legislation Litigation or fines, reputational damage Distraction of management	Appointment of external advisers to monitor changes in law or regulation Members of staff attend external briefings to remain cognisant of legislative and regulatory changes Health and safety procedures, training and governance across the Group Appointment of reputable contractors Adequate insurance held to cover the risks inherent in property ownership and construction projects

Compliance with law and regulations continued

Change in 2024: Stable

Context and actions taken:

Compliance with law and regulations, including health and safety, remains a key priority for the Board.

Protocols are in place and communicated across the various stakeholder groups to ensure everyone is aware of new legislation and requirements.

The health and safety of our people and the public is a key priority. The Group works closely with its stakeholders to mitigate health and safety risks.

We remain in communication with HMRC regarding our REIT status, the Group's ability to comply with the requirements and the approach which HMRC will take in relation to any breach of the REIT conditions.

DIRECTORS' RESPONSIBILITIES

Statement of Directors' responsibilities

The statement of Directors' responsibilities below has been prepared in connection with the Group's full Annual Report for the year ended 31 December 2024. Certain parts of the Annual Report have not been included in this announcement as set out in Note 1 to the condensed financial information.

The Directors consider that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed in the Governance section of the Annual Report confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

The responsibility statement was approved by the Board of Directors on 26 February 2025 and signed on its behalf by:

Ian Hawksworth

Chief Executive

26 February 2025

Situl Jobanputra

Chief Financial Officer

26 February 2025

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2024

	Note	2024 £m	2023 £m
Revenue	4	227.1	195.1
Costs	4	(60.0)	(53.2)
Gross profit	4	167.1	141.9
Other income		-	2.7
Administration expenses	5	(42.7)	(83.8)
Gain/(loss) on revaluation and sale of investment property		194.6	(65.0)
Change in value of investments and other receivables		(7.0)	(12.5)
Change in fair value of financial assets at fair value through profit or loss		-	52.0
Operating profit		312.0	35.3
Finance income	6	14.8	15.6
Finance costs	7	(72.0)	(67.5)
Other finance income	6	4.5	4.1
Other finance costs	7	(6.5)	(31.3)
Change in fair value of derivative financial instruments		(0.9)	(11.3)
Net finance costs		(60.1)	(90.4)
Profit from joint ventures and associates	11	4.5	0.2
Gain on bargain purchase		-	805.5
Loss on sale of associate	11	(4.0)	-
Profit before tax		252.4	750.6
Taxation	8	(0.3)	(0.2)
Profit for the year		252.1	750.4
Earnings per share			
Basic earnings per share	3	13.8p	45.5p
Diluted earnings per share	3	13.8p	45.3p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	2024 £m	2023 £m
Profit for the year	252.1	750.4
Other comprehensive (expense)/income		
<i>Items that will not be reclassified to profit or loss:</i>		
Revaluation (loss)/gain on owner-occupied property	(0.1)	1.8
Total comprehensive income for the year	252.0	752.2

CONSOLIDATED BALANCE SHEET

As at 31 December 2024

	Note	2024 £m	2023 £m
Non-current assets			
Investment property	10	4,899.1	4,740.2
Property, plant and equipment		25.5	24.0
Investments in joint ventures and associates	11	-	83.4
Derivative financial instruments		-	1.4
Trade and other receivables	12	139.7	116.1
		5,064.3	4,965.1
Current assets			
Trade and other receivables	12	30.4	42.7
Derivative financial instruments		3.4	8.3
Cash and cash equivalents	13	124.0	200.2
		157.8	251.2
Assets held for sale			
Investment property held for sale	10	9.8	-
		9.8	-
Total assets		5,231.9	5,216.3
Non-current liabilities			
Borrowings	14	(1,467.8)	(1,534.8)
Lease liabilities		(2.7)	(2.7)
Derivative financial instruments		(1.8)	(7.2)
		(1,472.3)	(1,544.7)
Current liabilities			
Borrowings	14	-	(94.9)
Lease liabilities		(0.3)	(0.3)
Tax liabilities		(0.2)	(0.2)
Trade and other payables		(84.8)	(96.0)
		(85.3)	(191.4)
Total liabilities		(1,557.6)	(1,736.1)
Net assets		3,674.3	3,480.2
Equity			
Share capital	16	488.2	488.2
Other components of equity		3,186.1	2,992.0
Total equity		3,674.3	3,480.2

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Note	Share capital £m	Share premium £m	Own shares ¹ £m	Capital redemption reserve £m	Merger reserve ² £m	Share-based payment reserve £m	Other reserves £m	Retained earnings £m	Total equity £m
At 1 January 2023		212.8	232.5	-	1.5	293.7	9.8	(0.4)	811.7	1,561.6
Profit for the year		-	-	-	-	-	-	-	750.4	750.4
Other comprehensive income for the year		-	-	-	-	-	-	-	1.8	1.8
Total comprehensive income for the year		-	-	-	-	-	-	-	752.2	752.2
Completion of all-share merger		273.9	-	(32.1)	-	962.3	-	-	-	1,204.1
Dividends	9	-	-	-	-	-	-	-	(41.9)	(41.9)
Issue of shares and realisation of share-based payment reserve on employee share options ³		1.5	-	(0.8)	-	-	(9.8)	-	11.9	2.8
Fair value of share-based payment		-	-	-	-	-	1.3	-	-	1.3
Realisation of cash flow hedge		-	-	-	-	-	-	0.1	-	0.1
Balance at 31 December 2023		488.2	232.5	(32.9)	1.5	1,256.0	1.3	(0.3)	1,533.9	3,480.2
Profit for the year		-	-	-	-	-	-	-	252.1	252.1
Other comprehensive expense for the year		-	-	-	-	-	-	-	(0.1)	(0.1)
Total comprehensive income for the year		-	-	-	-	-	-	-	252.0	252.0
Dividends	9	-	-	-	-	-	-	-	(61.1)	(61.1)
Fair value of share-based payment		-	-	-	-	-	3.1	-	-	3.1
Realisation of cash flow hedge		-	-	-	-	-	-	0.1	-	0.1
Balance at 31 December 2024		488.2	232.5	(32.9)	1.5	1,256.0	4.4	(0.2)	1,724.8	3,674.3

1. Represents the nominal value of 128,350,793 shares issued to a controlled entity in respect of secured shares previously held as collateral for the exchangeable bonds and 3,146,886 shares held by the Group's Employee Benefit Trust in respect of employee share awards.

2. Represents non-qualifying consideration received following previous share placings and the all-share merger with Shaftesbury PLC completed on 6 March 2023. The amounts taken to the merger reserve do not currently meet the criteria for qualifying consideration and therefore will not form part of distributable reserves as they form part of linked transactions.

3. Represents the issue of 6,170,629 new shares and subsequent realisation of the outstanding share-based payment reserve on the close out of the Group's share scheme prior to completion of the all-share merger. Following the vesting, 3,146,886 shares were purchased by the Group's Employee Benefit Trust.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Note	2024 £m	2023 £m
Cash flows from operating activities			
Cash generated from operations	19	108.7	29.8
Finance costs paid		(72.0)	(59.5)
Interest received		15.0	16.1
Net cash inflow/(outflow) from operating activities		51.7	(13.6)
Cash flows from investing activities			
Purchase and development of property		(130.4)	(51.2)
Purchase of fixed assets		(2.3)	(3.4)
Sale of property		136.6	88.1
Cash acquired in a business combination		-	118.1
Dividends received from associate		1.2	1.5
Sale of associate	11	82.5	-
Loans to joint ventures and associates repayment received		15.6	2.7
Net cash inflow from investing activities		103.2	155.8
Cash flows from financing activities			
Borrowings repaid		(305.0)	(1,151.0)
Borrowings drawn		135.0	1,126.0
Acquisition of derivative financial instruments		-	(5.0)
Cash dividends paid	9	(61.1)	(41.9)
Net cash outflow from financing activities		(231.1)	(71.9)
Net movement in cash and cash equivalents		(76.2)	70.3
Cash and cash equivalents at 1 January		200.2	129.9
Cash and cash equivalents 31 December	13	124.0	200.2

NOTES TO THE ACCOUNTS

1 PRINCIPAL ACCOUNTING POLICIES

General Information

Shaftesbury Capital PLC (the “Company”) was incorporated and registered in England and Wales and domiciled in the United Kingdom on 3 February 2010 under the Companies Act 2006 as a public company limited by shares, registration number 7145051. The registered office of the Company is Regal House, 14 James Street, London, WC2E 8BU, United Kingdom. The principal activity of the Company is to act as the ultimate parent company of Shaftesbury Capital PLC Group (the “Group”), whose principal activity is the investment and management of property.

The Group’s assets principally comprise investment property within the West End of London, including Covent Garden, Carnaby, Soho and Chinatown.

Basis of preparation

The financial information set out in this announcement has been extracted from the Company’s consolidated financial statements for the year ended 31 December 2024 and does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

The consolidated financial statements and this announcement were approved by the Board of Directors on 26 February 2025. The auditors have reported on the consolidated financial statements for the year ended 31 December 2024 under section 495 of the Companies Act 2006. The auditors’ report is unqualified and does not contain a statement under section 498(2) or (3) of the Companies Act 2006. The Company’s statutory financial statements for the year ended 31 December 2023 have been filed with the Registrar of Companies and those for the year ended 31 December 2024 will be filed following the Company’s Annual General Meeting.

The Group’s consolidated financial statements are prepared in accordance with United Kingdom-adopted international financial accounting standards (“UK-adopted IFRS” or “IFRS”), and the applicable legal requirements of the Companies Act 2006. While the financial information included in this preliminary announcement has been prepared in accordance with the recognition and measurement criteria of international accounting standards (“IAS”) in conformity with the requirements of the Companies Act 2006 and UK-adopted IFRS and complies with the disclosure requirements of the Listing Rules of the UK Financial Conduct Authority, this announcement does not itself contain sufficient information to comply with IASs and IFRSs. The Group expects to publish full financial statements that comply with IFRS in March 2025.

The consolidated financial statements have been prepared on a going concern basis under the historical cost convention as modified for the revaluation of property and derivative financial instruments.

The accounting policies used by the Group in these consolidated financial statements are consistent with those applied in the Group’s financial statements for the year to 31 December 2023, as amended to reflect the adoption of new standards, amendments and interpretations which became effective in the year.

Going concern

The Directors have considered the appropriateness of adopting the going concern basis in preparing the consolidated financial statements. The Group’s going concern assessment covers the period to 30 June 2026 (the “going concern period”), being at least 12 months from the date of authorisation of these consolidated financial statements.

The core West End occupational market continues to demonstrate its enduring appeal, with excellent levels of leasing activity, low vacancy and continued customer sales growth. There is good leasing demand across all uses, delivering rental income and valuation growth.

While geopolitical risk remains elevated and there is macroeconomic volatility, the West End and the Group’s unique portfolio of prime investments have demonstrated remarkable resilience. The Group maintains a strong balance sheet with a focus on resilience, flexibility and efficiency. There is significant headroom against debt covenants and access to significant liquidity. In preparing the assessment of going concern, the Directors have considered projections of the Group’s liquidity, committed capital expenditure, income, costs, cash flows and debt covenants.

The Directors have assessed a base case and a downside scenario (being a “severe but plausible” scenario).

As at the year end, the Group had net debt of £1.4 billion, an EPRA LTV ratio of 27 per cent and Group interest cover of 2.9 times. The Group is projected to have sufficient cash reserves and undrawn facilities to meet debt maturities during the going concern period. Drawn debt is at fixed rates or currently has interest rate protection in place. Interest rate hedging is in place which caps SONIA exposure at 3.0 per cent on £250 million of notional value to December 2025. Further hedging arrangements will be put in place as appropriate.

The Group’s debt matures between March 2026 and 2037. Debt maturities during the going concern assessment period relate to the £275 million exchangeable bond, which can be repaid or refinanced in both the base case and the downside scenario.

1 PRINCIPAL ACCOUNTING POLICIES CONTINUED

Going concern continued

The Group's financial resources are expected to be sufficient to cover its commitments over the going concern period. Relative to the Group's base case forecast, the downside scenario includes the following key assumptions:

- Substantial reduction in forecast rental income due to a combination of extended voids and customer failures;
- Elevated SONIA rates in excess of current market expectations; and
- Declines in rental values, along with a widening of valuation yields, resulting in reduced asset values.

The near-term impact of climate change risks within the going concern period has been considered in the downside scenario and is expected to be immaterial.

Under the downside scenario, the Group is expected to remain in compliance with the loan-to-value and interest cover covenants of its individual financing arrangements.

In addition to considering a downside scenario, the Board has also undertaken reverse stress testing, which indicates that the Group could withstand a decrease of approximately 45 per cent in income and valuations before breaching its debt financial covenants.

Based on their analysis, the Directors are satisfied that there is a reasonable expectation that the Group will be able to meet its ongoing and future commitments for at least 12 months from the date of approval of the consolidated financial statements and have therefore resolved that the Group's consolidated financial statements be prepared on a going concern basis.

Critical accounting judgments and key sources of estimation and uncertainty

The preparation of consolidated financial statements in accordance with IFRS requires the Directors to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, equity, income and expenses from sources not readily apparent. Although these estimates and assumptions are based on management's best knowledge of the amount, historical experiences and other factors, actual results ultimately may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period.

The most significant area of estimation uncertainty is in respect of the valuation of the property portfolio where external valuations are obtained.

The fair value of the Group's investment and trading property (trading property included within the Lillie Square joint venture) at 31 December 2024 was determined by independent, appropriately qualified external valuers CBRE and Cushman & Wakefield for the wholly owned property portfolio, and JLL for the Lillie Square joint venture. The valuations conform to the Royal Institution of Chartered Surveyors ("RICS") Valuation Professional Standards.

As various inputs used in the valuation calculations are based on assumptions, property valuations are inherently subjective and subject to a degree of estimation uncertainty. The Group's external valuers have made a number of assumptions including, but not limited to, market yields, ERVs and void periods. These assumptions are in accordance with the RICS Valuation Professional Standards, however, if any prove to be incorrect, it may mean that the value of the Group's properties differs from their valuation reported in the financial statements, which could have a material effect on the Group's financial position. The key unobservable inputs used in the valuation models are those in respect of equivalent yields and ERV, which are summarised within note 10 'Property portfolio' and additional information is provided on page 58. Further information on the approach taken by the valuers in valuing the property portfolio and a sensitivity analysis on equivalent yields and ERV, which are the most significant assumptions impacting the fair values, is set out in note 10 'Property portfolio'.

Other areas of judgment and estimation in the financial statements (which are not considered critical) include REIT compliance, the impairment of and expected credit loss allowance on trade receivables and share-based payments.

New accounting policies

In the current year, the Group has applied the below amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board that are effective for annual periods that begin on or after 1 January 2024.

- IAS 1 'Presentation of Financial Statements' (amendment) (Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants)
- IFRS 16 'Leases' (amendment) (Lease liability in a sale and leaseback)

1 PRINCIPAL ACCOUNTING POLICIES CONTINUED

New accounting policies continued

- IAS 7 'Statement of cash flows' and IFRS 7 'Financial Instruments: Disclosures' (amendment) (Supplier finance arrangements)

The adoption of the above amendments has not had a material impact on the amounts reported in the consolidated financial statements or on the disclosures apart from the amendments to IAS 1, which have resulted in additional disclosure, but have not had an impact on the classification of the Group's liabilities.

At the date of approval of the consolidated financial statements the following new accounting standards and amendments to accounting standards were in issue but are not yet effective. These new standards and amendments have not been applied in these consolidated financial statements.

- IAS 21 'The Effects of Changes in Foreign Exchange Rates' (amendment) (Lack of Exchangeability)
- IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' (amendment) (Classification and Measurement of Financial Instruments)
- IFRS 18 'Presentation and Disclosure in Financial Statements' (new standard)

The amendment to IAS 21 is effective for periods beginning on or after 1 January 2025 whilst the amendments to IFRS 9 and IFRS 7 are effective for annual periods beginning on or after 1 January 2026. The Group has assessed the impact of these amendments and does not anticipate any material impact on the consolidated financial statements.

IFRS 18 is effective for annual periods beginning on or after 1 January 2027. The Group is assessing the impact of this new standard and the Group's financial reporting will be presented in accordance with this standard from 1 January 2027.

2 SEGMENTAL REPORTING

IFRS 8 requires operating segments to be reported in a manner consistent with the internal financial reporting reviewed by the chief operating decision maker. The chief operating decision maker of the Group is the Executive Committee, which consists of the Chief Executive, Chief Financial Officer and the two Executive Directors. The information reviewed by the Executive Committee is prepared on a basis consistent with these financial statements. That is, the information is provided and monitored at a Group level and includes the IFRS reported results, EPRA and underlying measures.

In assessing the identification of operating segments, the Group considers the activities of the chief operating decision maker including decision making authorities for allocation of resources and the information they regularly receive. This consideration also factors that performance measures are set and only monitored at a single Group level. The Annual Report includes additional operational information on the property portfolio grouped by village and use. This information is used within certain levels of the business and is also considered useful for readers of the Annual Report but is not used by the chief operating decision maker for monitoring performance or the allocation of resources.

3 PERFORMANCE MEASURES

The Group has applied the European Securities and Markets Authority guidelines on alternative performance measures ("APMs") in these annual results. An APM is a financial measure of historical or future financial performance, position or cash flow of the Group which is not a measure defined or specified in IFRS. Details of all APMs used by the Group are set out in the APM section on page 50.

As is usual practice in the sector, the Group presents APMs for certain indicators, including earnings, earnings per share and net tangible assets, making adjustments as set out by EPRA in its Best Practice Recommendations. These recommendations are designed to make the financial statements of public real estate companies more comparable across Europe, enhancing the transparency, comparability and coherence of the sector.

One of the key performance measures which the Group uses is underlying earnings. The underlying earnings measure reflects the underlying financial performance of the Group's West End property rental business and is used for the calculation of dividends. The measure aligns with the main principles of EPRA earnings. EPRA earnings excludes valuation movements on the wholly owned, joint venture and associate properties, profit or loss on disposal of investment properties and investments in associates, fair value changes of financial instruments and listed investments, cost of early close out of debt, gain on bargain purchase and IFRS 3 merger-related transaction costs.

Following updated guidance issued by EPRA in 2024, EPRA earnings now also include adjustments for certain non-operating and exceptional items. The non-operating and exceptional items adjusted for by the Group in the current and prior year include the fair value movements of the option component of the exchangeable bond, the unwinding of the IFRS 3 fair value of debt following the completion of the all-share merger in March 2023 and merger-related integration and other non-underlying expenses incurred. These costs are considered non-recurring as they relate to significant transactions outside the ongoing operations of the Group.

3 PERFORMANCE MEASURES CONTINUED

In calculating underlying earnings in both years, additional adjustments are made to exclude the financial performance of the Lillie Square joint venture, associated tax adjustments and the interest receivable on the loan issued to the joint venture by the Group. Lillie Square is not considered to be a core part of the operations of the Group and therefore its results are not included in underlying earnings.

A summary of the number of shares, on a basic and diluted basis, in issue at the year end, and on a weighted average basis for the year, is set out in the table below:

Number of shares

	2024 Weighted average million	2024 In issue million	2023 Weighted average million	2023 In issue million
Ordinary shares	1,953.2	1,953.2	1,757.0	1,953.2
Own shares – employee benefit trust	(3.1)	(3.1)	(2.6)	(3.1)
Own shares – exchangeable bond ¹	(128.4)	(128.4)	(105.5)	(128.4)
Number of shares – basic²	1,821.7	1,821.7	1,648.9	1,821.7
Dilutive effect of contingently issuable share option awards	5.7	10.0	6.5	6.5
Dilutive effect of contingently issuable deferred share awards	0.7	1.6	0.6	0.6
Number of shares – diluted³	1,828.1	1,833.3	1,656.0	1,828.8

1. Includes 127,008,787 shares held as collateral for the exchangeable bonds.

2. Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share.

3. Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings and net assets per share.

Earnings per share - IFRS

	2024	2023
Basic earnings (£m)	252.1	750.4
Basic earnings per share (pence)	13.8p	45.5p
Diluted earnings per share (pence)	13.8p	45.3p

3 PERFORMANCE MEASURES CONTINUED

Earnings per share – EPRA and Underlying

	Note	2024 £m	2023 £m
Basic earnings		252.1	750.4
<i>EPRA Group adjustments:</i>			
(Gain)/loss on revaluation and sale of investment property		(194.6)	65.0
Change in value of investments and other receivables		7.0	12.5
Change in fair value of derivative financial instruments – interest rate derivatives		6.3	7.4
Change in fair value of financial assets at fair value through profit or loss	15	–	(52.0)
Exceptional finance items - accelerated unwind of unamortised finance costs and interest on early close out of debt ¹		1.0	26.8
Loss on sale of associate ¹	11	4.0	–
Gain on bargain purchase		–	(805.5)
Merger-related transaction costs	5	–	35.8
Deferred tax adjustments		–	(0.1)
<i>EPRA unusual items:</i>			
Merger related integration costs and non-underlying administrative expenses	5	3.3	8.7
Other exceptional finance items ²		0.4	9.1
Impact of change in accounting policy on gross profit ³		–	5.1
<i>EPRA joint venture and associate adjustments:</i>			
Profit on sale and transfer of trading property		(1.5)	(5.1)
(Gain)/loss on revaluation of investment property		(3.0)	3.3
(Reversal of write down)/write down of trading property		(0.9)	6.6
Deferred tax adjustments		1.2	(0.1)
EPRA earnings		75.3	67.9
EPRA earnings per share (pence)⁴		4.1p	4.1p
<i>Underlying earnings adjustments:</i>			
Joint ventures adjustment – Lillie Square ⁵		(2.3)	(7.5)
Underlying earnings		73.0	60.4
Underlying earnings per share (pence)⁶		4.0p	3.7p

1. Reflects the accelerated unwind of unamortised costs on the refinancing of the revolving credit facility. The 2023 amount comprise £24.6 million unamortised fair value adjustment that arose on completion of the merger which was accelerated on the early redemption of the Carnaby and Chinatown bonds in April 2023 and the unamortised costs on the loan facility of £2.2 million which was accelerated on early repayment during the prior year. The unwind of the remaining fair value balance on the Longmartin debt of £1.4 million has been recognised in the loss on sale of associate on sale of our 50 per cent share during the year.

2. Other exceptional finance items include the unwind of the fair value adjustments on the debt facilities acquired on merger of £6.1 million (including our share of the fair value unwind of the Longmartin debt of £0.6 million up to date of disposal), offset by the fair value movement of the exchangeable bond option of £5.4 million (31 December 2023: £3.9 million) and other non-underlying finance income of £0.3 million. £5.5 million (31 December 2023: £4.5 million) of the unwind of the fair value of the debt is recorded through other finance costs included in note 7 'Finance costs' and £0.6 million (31 December 2023: £0.7 million) within the profit from Longmartin per note 11 'Investments in joint ventures and associates'.

3. The £5.1 million relates to the alignment of accounting policies on completion of the merger in the prior year. £4.1 million of the adjustment was recognised through the straight lining of tenant lease incentives and £1.0 million in property expenses. Historically, the Group amortised tenant lease incentives and deferred letting fees on a straight-line basis over the lease term to lease expiry as the assumption was that the lessees were reasonably certain not to exercise their option to break. This was amended in the prior year, such that all lease incentives are amortised over the non-cancellable period of the lease. As a result, other receivables within the consolidated balance sheet at 31 December 2023 decreased by £5.1 million with a corresponding reduction to gross profit. The £5.1 million reduction to gross profit had been adjusted for in order to reflect the true performance of the business during 2023.

4. Prior year comparatives have been represented based on changes to EPRA earnings following the publication of updated EPRA Best Practice Recommendations Guidelines in September 2024.

5. The Lillie Square joint venture is not considered part of the core underlying business of the Group and therefore its results are excluded from underlying earnings. The adjustment includes £3.8 million (31 December 2023: £3.7 million) interest receivable by the Group on the interest-bearing loans issued to the joint venture and £1.5 million (31 December 2023: £3.8 million) of adjustments made to EPRA earnings for profit on sale and transfer of trading property, loss on revaluation of investment property and reversal of write down of trading property.

6. Had the all-share merger of Capital & Counties Properties PLC and Shaftesbury PLC completed on 1 January 2023, the underlying earnings of the Group would have been £62.8 million or 3.4 pence per share.

3 PERFORMANCE MEASURES CONTINUED

Net assets per share

	2024			2023		
	EPRA NRV £m	EPRA NTA £m	EPRA NDV £m	EPRA NRV £m	EPRA NTA £m	EPRA NDV £m
IFRS total equity ¹	3,674.3	3,674.3	3,674.3	3,480.2	3,480.2	3,480.2
Unrecognised surplus on trading property – joint venture	0.1	0.1	0.1	1.7	1.7	1.7
Fair value of financial instruments – interest rate derivatives ²	(3.4)	(3.4)	-	(9.7)	(9.7)	-
Fair value adjustment of exchangeable bond ³	(0.4)	(0.4)	-	2.0	2.0	-
Real Estate Transfer Tax	333.1	-	-	332.2	-	-
Adjustment of fixed rate debt from carrying value to fair value ⁴	-	-	50.8	-	-	29.8
Deferred tax adjustments	0.5	0.5	-	5.2	5.2	-
NAV	4,004.2	3,671.1	3,725.2	3,811.6	3,479.4	3,511.7
NAV per share (pence)	218.4p	200.2p	203.2p	208.4p	190.3p	192.0p

1. IFRS total equity of 200.4 pence per share (31 December 2023: 190.3 pence per share).

2. This relates to the fair value of interest rate derivatives.

3. Adjustment to remove the exchangeable bond option fair value and include the exchangeable bond liability at nominal value of £275 million.

4. Excludes the fair value of exchangeable bond option component included under derivative liabilities.

Headline earnings per share

Headline earnings per share is calculated in accordance with Circular 1/2023 issued by the South African Institute of Chartered Accountants, a requirement of the Group's Johannesburg Stock Exchange secondary listing. This measure is not a requirement of IFRS.

	2024 £m	2023 £m
Basic earnings	252.1	750.4
<i>Group adjustments:</i>		
Gain on bargain purchase	-	(805.5)
Loss on sale of associate	4.0	-
(Gain)/loss on revaluation and sale of investment property	(194.6)	65.0
Headline earnings	61.5	9.9
Basic and diluted headline earnings per share (pence)	3.4p	0.6p

4 GROSS PROFIT

	2024 £m	2023 £m
Rental receivable	197.2	171.9
Straight-lining of tenant lease incentives ¹	7.8	3.9
Service charge income	22.1	19.3
Revenue	227.1	195.1
Provision for expected credit loss	(3.9)	(2.0)
Property expenses ¹	(33.1)	(31.1)
Service charge expenses	(22.1)	(19.3)
Tenant lease incentives loss allowance	(0.9)	(0.8)
Costs	(60.0)	(53.2)
Gross profit	167.1	141.9

1. Included in the prior year is a charge of £5.1 million relating to the alignment of accounting policies on completion of the merger. £4.1 million of the adjustment was recognised through the straight lining of tenant lease incentives and £1.0 million in property expenses.

All revenue has been generated from operations within the United Kingdom.

5 ADMINISTRATION EXPENSES

	2024 £m	2023 £m
Depreciation	0.3	0.4
Employee costs	23.0	25.1
Head office administration expenses	16.1	13.8
Merger-related transaction costs ¹	-	35.8
Merger-related integration costs and non-underlying administration expenses	3.3	8.7
Administration expenses	42.7	83.8

1. Costs relate to transaction fees and expenses in respect of the merger of Shaftesbury PLC and Capital & Counties Properties PLC during the prior year.

6 FINANCE INCOME

	2024 £m	2023 £m
Finance income:		
On deposits and current accounts	5.0	6.3
On interest rate derivatives	9.8	9.3
Finance income	14.8	15.6
Other finance income:		
On loans to joint ventures and associates	4.2	4.1
Non-underlying finance income	0.3	-
Other finance income	4.5	4.1

7 FINANCE COSTS

	2024 £m	2023 £m
On bank facilities and loan notes	35.8	40.3
On exchangeable bonds ¹	8.5	8.4
On mortgage bonds	-	1.8
On secured loans	27.4	16.5
On obligations under lease liabilities	0.3	0.5
Finance costs	72.0	67.5
Other finance costs:		
Non-underlying finance charges ²	6.5	31.3
Other finance costs	6.5	31.3

1. On 30 November 2020 the Group issued £275 million of secured exchangeable bonds maturing in March 2026. The net proceeds received from the issue of the exchangeable bonds have been split between the financial liability element and an option component. The debt component is accounted for at amortised cost and, after taking into account transaction costs, accrues interest at an effective interest rate of 3.1 per cent, of which 2 per cent (£5.5 million) represents the cash coupon on the bond.

2. Non-underlying finance charges have been excluded from the calculation of underlying earnings as these are non-recurring costs and do not represent the underlying performance of the business. Non-underlying finance charges include £1.0 million (31 December 2023: £2.2 million) for the accelerated amortisation on the refinancing of the revolving credit facility during the year and £5.5 million (31 December 2023: £4.5 million) for the unwind of the fair value adjustment of debt on completion of merger. The prior year charge includes an additional £24.6 million in relation to the accelerated unwind of the finance costs on early redemption of the Chinatown and Carnaby bonds.

8 TAXATION

	2024 £m	2023 £m
Current income tax:		
Current income tax charge	0.5	0.2
Adjustments in respect of previous years	(0.2)	-
Current tax on profits	0.3	0.2
Deferred income tax:		
On accelerated capital allowances	-	0.1
On Group losses	0.9	(1.4)
On other temporary differences	(0.9)	1.3
Deferred tax on profits	-	-
Total taxation charge in the consolidated income statement	0.3	0.2

8 TAXATION CONTINUED

As a UK REIT, the Group is exempt from UK corporation tax on income and gains from qualifying activities. Non-qualifying activities are subject to UK corporation tax.

9 DIVIDENDS

	PID	Non-PID	Date paid	2024	2023
	Pence per share			£m	£m
Ordinary shares					
For year ended 31 December 2022:					
Second interim dividend of 1.7 pence per share	0.7	1.0	20 March 2023	–	14.5
For year ended 31 December 2023:					
Interim cash dividend of 1.5 pence per share	–	1.5	18 September 2023	–	29.3
Final dividend of 1.65 pence per share	0.65	1.0	31 May 2024	32.2	–
For the year ended 31 December 2024:					
Interim cash dividend of 1.7 pence per share	1.0	0.7	1 October 2024	33.2	–
Dividend expense ¹				65.4	43.8

1. Includes £4.3 million (31 December 2023: £1.9 million) paid to a controlled entity, Capco Investment London (No.7) Scottish Limited Partnership, in respect of 128,350,793 shares, of which 127,008,787 are held as collateral for the exchangeable bonds. The entity has provided an undertaking not to exercise its voting rights in respect of such ordinary shares but will receive the proposed dividend, all of which was retained by the Group following calculation of the dividend threshold test as set out in the exchangeable bond conditions. The Groups dividend expense recorded in the consolidated statement of cash flows is £61.1 million (31 December 2023: £41.9 million).

As a UK REIT, Shaftesbury Capital is required to distribute at least 90 per cent of the Group's income profits from its tax-exempt property rental business, and 100 per cent of the Group's UK REIT investment profits, by way of a Property Income Distribution ("PID").

These distributions can be subject to withholding tax at 20 per cent. Dividends from profits of the Group's taxable residual business are ordinary dividends and will be taxed as an ordinary dividend.

On 26 February 2025, the Directors proposed a final cash dividend for 2024 of 1.8 pence per ordinary share which will be paid wholly as a PID. The final cash dividend will be paid on 30 May 2025 to all shareholders on the register on 25 April 2025.

10 PROPERTY PORTFOLIO

	2024	2023
	£m	£m
At 1 January	4,740.2	1,715.1
Investment property acquired on merger at 6 March 2023 fair value	-	3,141.0
Additions from acquisitions	84.9	17.4
Additions from subsequent expenditure	43.1	35.1
Disposals	(162.2)	(81.5)
Transfers to owner-occupied property	-	(18.4)
Gain/(loss) on revaluation	202.9	(68.5)
Transfer to held for sale ¹	(9.8)	-
Carrying value of investment property	4,899.1	4,740.2
Adjustment in respect of fixed head leases	(3.0)	(3.0)
Adjustment in respect of tenant lease incentives and deferred letting fees	47.5	37.9
Market value of investment property	4,943.6	4,775.1

1. Two properties had exchanged for sale at year end and were accordingly classified as held for sale. The sale of one property completed post year end with the other anticipated to complete during the first quarter of 2025.

	2024	2023
	£m	£m
The investment property valuation comprises:		
Freehold properties	3,849.0	3,791.3
Leasehold properties	1,094.6	983.8
Market value of investment property	4,943.6	4,775.1

10 PROPERTY PORTFOLIO CONTINUED

Market value of property portfolio

	2024 £m	2023 £m
Market value of investment property	4,943.6	4,775.1
Market value of investment property held for sale	9.8	-
Market value of owner-occupied property	20.1	20.2
Market value of wholly-owned property portfolio	4,973.5	4,795.3

Valuation process

The fair value of the Group's wholly-owned investment property and owner-occupied property at 31 December 2024 was determined by independent, appropriately qualified external valuers, CBRE and Cushman & Wakefield. The valuations conform to the Royal Institution of Chartered Surveyors ("RICS") Valuation Professional Standards. Fees paid to valuers are based on fixed price contracts.

Each year the Company appoints the external valuers. The valuers are selected based on their knowledge, independence and reputation for valuing assets such as those held by the Group.

Valuations are performed bi-annually and are performed consistently across all properties in the Group's portfolio. At each reporting date, appropriately qualified employees of the Group verify all significant inputs and review computational outputs. Valuers submit and present summary reports to the Group's Audit Committee, with the Executive Committee reporting to the Board on the outcome of each valuation round.

Net zero carbon and EPC compliance

We are committed to meeting our 2030 carbon reduction targets and have reset our Net Zero Carbon target to 2040 to align with the Science Based Targets initiative ("SBTi") long-term carbon reduction targets, achieving SBTi validation in January 2025. A key element in achieving this will come from carbon efficiencies created through refurbishments of the Group's property portfolio.

During 2024, the Group's additions from subsequent expenditure were £43.1 million (31 December 2023: £35.1 million). Included within the £43.1 million total subsequent expenditure is work which related to enhancing the environmental performance of assets, and design stage work aimed at delivering environmental enhancements.

We aim for 75 per cent of commercial units to have a "B" or above EPC compliance rating by 2027 and for all commercial units to have a "B" or above and residential units a "C" or above rating by 2030. Any committed capital expenditure has been included in note 17 'Capital commitments'.

Valuation techniques

Valuations are based on what is determined to be the highest and best use. When considering the highest and best use a valuer will consider, on a property-by-property basis, its actual and potential uses which are physically, legally and financially viable. Where the highest and best use differs from the existing use, the valuer will consider the cost and the likelihood of achieving and implementing this change in use in arriving at its valuation.

The fair value of the Group's investment properties has primarily been determined using a market approach, which provides an indication of value by comparing the subject asset with similar assets for which price information is available. The external valuers use information provided by the Group, such as tenancy information and capital expenditure expectations. In deriving fair value, the valuer also makes a series of assumptions, using professional judgement and market observations. These assumptions include, but are not limited to, market yields, ERVs and void periods. The critical key assumptions are the equivalent yields and estimated future rental income (ERVs), as set out within the table on the next page and within the Analysis of Property Portfolio on page 58. Equivalent yields are based on current market prices, depending on, inter alia, the location, condition and use of the properties. ERVs are calculated using a number of factors which include current rental income, market comparatives and local occupancy levels. Whilst there is market evidence for the key inputs, and recent transaction prices for similar properties, there is still a significant element of estimation and judgement. As a result of adjustments made to market observable data, these significant inputs are deemed unobservable.

Non-financial assets carried at fair value, as is the case for investment property held by the Group, are required to be analysed by level depending on the valuation method adopted under IFRS 13 'Fair Value Measurement' ("IFRS 13").

10 PROPERTY PORTFOLIO CONTINUED

Valuation techniques continued

The different valuation levels are defined as:

Level 1: valuation based on quoted market prices traded in active markets;

Level 2: valuation based on inputs other than quoted prices included within Level 1 that maximise the use of observable data either directly or from market prices or indirectly derived from market prices; and

Level 3: where one or more inputs to valuation are not based on observable market data. Valuations at this level are more subjective and therefore more closely managed, including sensitivity analysis of inputs to valuation models.

When the degree of subjectivity or nature of the measurement inputs changes, consideration is given as to whether a transfer between fair value levels is deemed to have occurred. Unobservable data becoming observable market data would determine a transfer from Level 3 to Level 2. All investment properties held by the Group are classified as Level 3 in the current and prior year.

The following table sets out the key unobservable inputs used in the valuation models of the wholly-owned property portfolio:

Key unobservable inputs

	2024 Range (weighted average)	2023 Range (weighted average)
Estimated rental value per sq. ft per annum	£19-£296 (£92)	£19-£276 (£83)
Equivalent yield	2.9%-6.5% (4.45%)	2.4%-6.0% (4.30%)

Sensitivity to changes in key assumptions

As noted in the critical accounting judgements and key sources of estimation and uncertainty section in note 1 'Principal accounting policies', the valuation of the Group's property portfolio is inherently subjective. As a result, the valuations are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of volatility or low transaction flow in the commercial property market.

The sensitivity analysis below illustrates the impact on the fair value of the Group's properties, from changes in the key assumptions:

	Change in ERV			
	-10% £m	-5% £m	+5% £m	+10% £m
(Decrease)/increase in fair value	(402.2)	(202.7)	205.7	413.0
	Change in Yield			
	-50bp £m	-25bp £m	+25bp £m	+50bp £m
Increase/(decrease) in fair value	660.1	309.1	(273.0)	(523.2)

The table above shows movements in key assumptions in isolation. These key unobservable inputs are interdependent. All other factors being equal, a higher equivalent yield would lead to a decrease in the valuation, and an increase in estimated rental value would increase the capital value, and vice versa. However, there are interrelationships between the key unobservable inputs which are partially determined by market conditions, which would impact these changes.

At 31 December 2024, the Group was contractually committed to £24.1 million (31 December 2023: £24.8 million) of future expenditure for the purchase, construction, development and enhancement of investment property. Refer to note 17 'Capital commitments' for further information on capital commitments.

11 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

Investments in joint ventures and associates are measured using the equity method. All the Group's joint ventures and associates are held with other investors on a 50:50 basis. At 31 December 2024, investments comprised of Lillie Square joint venture ("LSJV"). The Group disposed of its interest in the Longmartin associate ("Longmartin") on 24 October 2024.

The table below reconciles the opening to closing carrying value of investments in joint ventures and associates as presented on the consolidated balance sheet.

Investment in joint ventures and associates	Longmartin £m	LSJV £m	Innova £m	Total £m
At 1 January 2023	-	-	0.2	0.2
Investments in associate acquired at fair value on completion of merger	84.7	-	-	84.7
Share of profit/(loss) for the period ¹	0.2	(7.6)	-	(7.4)
Losses restricted ¹	-	7.6	-	7.6
Dividend received	(1.5)	-	-	(1.5)
Disposal of joint venture	-	-	(0.2)	(0.2)
At 31 December 2023	83.4	-	-	83.4
Share of profit/(loss) for the period ¹	4.5	(1.8)	-	2.7
Losses restricted ¹	-	1.8	-	1.8
Dividend received	(1.2)	-	-	(1.2)
Disposal of associate	(86.7)	-	-	(86.7)
At 31 December 2024	-	-	-	-

1. The loss from the Lillie Square joint venture for the year of £1.8 million (31 December 2023: £7.6 million) has been restricted in accordance with the requirements of IAS 28. Restricted losses represent the Group's share of loss in LSJV in the year of £1.8 million (31 December 2023: £7.6 million) allocated to the cumulative losses which exceed the Group's investment in the joint venture. Cumulative losses of £40.2 million have been restricted to date (2023: £38.4 million) and as a result the carrying value of the investment in LSJV is nil (31 December 2023: nil). The Group holds £70.7 million (2023: £76.0 million) of recoverable loans from LSJV within note 12 'Trade and other receivables'. The profit from joint ventures and associates included within the consolidated income statement consists of our share of Longmartin profit for the year of £4.5 million (31 December 2023: £0.2 million).

LSJV

LSJV was established as a joint venture arrangement with the Kwok Family Interests ("KFI") in August 2012. The joint venture was established to own, manage and develop land interests at Lillie Square. LSJV comprises Lillie Square LP, Lillie Square GP Limited, acting as general partner to the partnership, and its subsidiaries. All major decisions regarding LSJV are taken by the Board of Lillie Square GP Limited, through which the Group shares strategic control.

The summarised income statement of LSJV is presented below.

Summarised income statement	2024 £m	2023 £m
Revenue	3.6	7.3
Gross profit/(loss)	1.3	(0.5)
Gain/(loss) on revaluation, sale and transfer of investment and trading property	3.0	(7.5)
Administration expenses	(0.7)	(0.4)
Net finance costs ¹	(7.1)	(6.8)
Loss for the year after taxation	(3.5)	(15.2)

1. Net finance costs include £7.6 million (31 December 2023: £7.4 million) interest payable on the interest-bearing loans issued to the joint venture by the Group and KFI. Finance income receivable by the Group from LSJV of £3.8 million (31 December 2023: £3.7 million) is recognised in the consolidated income statement within other finance income.

11 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES CONTINUED

LSJV

The summarised balance sheet of LSJV is presented below.

	2024 £m	2023 £m
Summarised balance sheet		
Investment property	87.4	46.8
Other non-current assets	5.6	5.6
Non-current assets	93.0	52.4
Trading property	42.8	80.3
Other current assets	1.3	1.5
Cash and cash equivalents	9.7	15.9
Current assets	53.8	97.7
Amounts payable to joint venture partners ¹	(224.8)	(224.9)
Other current liabilities	(2.1)	(1.7)
Current liabilities	(226.9)	(226.6)
Net liabilities	(80.1)	(76.5)
Carrying value of investment and trading property	130.2	127.1
Unrecognised surplus on trading property ²	0.3	3.3
Market value of investment and trading property	130.5	130.4

1. Amounts payable to joint venture partners include working capital facilities advanced by the Group and KFI of £29.2 million (31 December 2023: £29.0 million) and an interest bearing loan of £163.0 million (nominal value) advanced by the Group and KFI to the joint venture. The carrying value of the loan before impairment, including accrued interest was £179.8 million (31 December 2023: £180.2 million). Recoverable amounts receivable by the Group, net of impairments, are recognised on the consolidated balance sheet within non-current trade and other receivables.

2. The unrecognised surplus on trading property and the market value of LSJV's property portfolio are shown for informational purposes only and are not a requirement of IFRS. Trading property continues to be measured at the lower of cost and net realisable value.

Longmartin

Longmartin is a joint venture arrangement with The Mercers's Company. Pursuant to the terms of the Longmartin investment, the merger between Capital & Counties Properties PLC and Shaftesbury PLC triggered the right for the Mercers to acquire the Company's shares in the Longmartin investment. As a result of the Mercers duly exercising their option to acquire the Company's shares in the Longmartin investment, a sale of the Company's entire interest in the investment was concluded on 24 October 2024.

The total proceeds from the sale amounted to £82.9 million, which comprised of cash proceeds of £82.5 million and a receivable of £0.4 million. In addition to the £82.5 million cash received, the loan to associate balance of £11.6 million was repaid on disposal.

The carrying value of investment in associate immediately prior to disposal amounted to £86.7 million. The loss on sale of associate of £4.0 million included transaction costs of £0.2 million.

The summarised income statement of Longmartin up until the date of disposal, is presented below.

	1 January 2024 to 24 October 2024 £m	6 March 2023 to 31 December 2023 £m
Summarised income statement		
Revenue	17.0	14.9
Gross profit	11.4	10.6
Administration expenses	(0.3)	(0.2)
Gain/(loss) on revaluation of investment property	7.8	(1.9)
Net finance costs	(6.6)	(7.5)
Taxation	(3.3)	(0.6)
Profit for the period after taxation	9.0	0.4
Dividends paid	2.4	3.0

12 TRADE AND OTHER RECEIVABLES

	2024 £m	2023 £m
Non-current		
Prepayments and accrued income ¹	39.9	28.5
Amounts receivable from joint ventures ²	70.7	76.0
Amounts receivable from associates ³	-	11.6
Other receivables ⁴	29.1	-
Trade and other receivables	139.7	116.1
Current		
Rent receivable ⁵	9.9	13.6
Prepayments and accrued income ¹	15.2	17.1
Other receivables ⁴	5.3	12.0
Trade and other receivables	30.4	42.7

1. Includes tenant lease incentives and deferred letting fees of £47.5 million (31 December 2023: £37.9 million).

2. Amounts receivable from joint ventures represents an interest-bearing loan of £89.9 million (31 December 2023: £90.1 million) provided to LSJV. The loan bears interest at 4.25 per cent per annum and is repayable on demand. As it is not the intention of the Group to call on the loan in the next 12 months it has been presented as non-current. £4.0 million of the loan balance was repaid in the current year. The loan has been impaired by £19.2 million (31 December 2023: £14.1 million) to date. Included within current trade and other receivables is working capital funding of £29.2 million due from LSJV (31 December 2023: £29.0 million) that has been fully impaired.

3. The amount receivable from associates in the prior year represented the loan of £11.6 million provided to Longmartin, which was settled in the current year as part of the disposal of Longmartin.

4. Other receivables include £29.1 million (31 December 2023: £7.0 million) of restricted cash held on deposit as security for the secured term loans and bank facilities with certain conditions restricting the use.

5. Rent receivable is shown net of an expected credit loss provision of £8.0 million (31 December 2023: £4.8 million).

13 CASH AND CASH EQUIVALENTS

	2024 £m	2023 £m
Cash at hand	11.7	10.4
Cash on short-term deposits	98.1	175.3
Cash	109.8	185.7
Tenant deposits ¹	14.2	14.5
Cash and cash equivalents	124.0	200.2

1. Tenant deposits included above relate to cash held on deposit as security against tenant rent payments which are subject to certain restrictions and therefore not available for general use by the Group. The deposits are held in bank accounts administered by Group Treasury and therefore included within cash and cash equivalents in the consolidated balance sheet. Cash deposits against tenants' rent payment obligations totalling £22.2 million (31 December 2023: £18.9 million) are held in bank accounts administered by the Group's managing agents which are not included within the consolidated balance sheet.

14 BORROWINGS

	2024						
	Carrying value £m	Secured £m	Unsecured £m	Fixed rate £m	Floating rate £m	Fair value £m	Nominal value £m
Non-current							
Bank loans	269.9	-	269.9	-	269.9	269.9	275.0
Loan notes (USPPs)	379.3	-	379.3	379.3	-	341.0	380.0
Secured loans	545.8	545.8	-	545.8	-	544.8	584.8
Exchangeable bonds ¹	272.8	272.8	-	272.8	-	263.1	275.0
	1,467.8	818.6	649.2	1,197.9	269.9	1,418.8	1,514.8
Total borrowings	1,467.8						1,514.8
Cash, excluding tenant deposits							(109.8)
Net debt							1,405.0

1. Fair value of exchangeable bonds includes the fair value of the option component of £1.8 million.

14 BORROWINGS CONTINUED

	2023						
	Carrying value £m	Secured £m	Unsecured £m	Fixed rate £m	Floating rate £m	Fair value £m	Nominal value £m
Current							
Loan notes (USPPs)	94.9	-	94.9	94.9	-	93.0	95.0
	94.9	-	94.9	94.9	-	93.0	95.0
Non-current							
Bank loans	345.9	-	345.9	-	345.9	350.0	350.0
Loan notes (USPPs)	379.2	-	379.2	379.2	-	340.7	380.0
Secured loans	539.9	539.9	-	539.9	-	569.5	584.8
Exchangeable bonds ¹	269.8	269.8	-	269.8	-	256.9	275.0
	1,534.8	809.7	725.1	1,188.9	345.9	1,517.7	1,589.8
Total borrowings	1,629.7						1,684.8
Cash, excluding tenant deposits							(185.7)
Net debt							1,499.1

1. Fair value of exchangeable bonds includes the fair value of the option component of £7.2 million.

£584.8 million (nominal value) of the Group's borrowings are secured by fixed charges over certain investment properties held by subsidiaries, with a market value of £1,681.1 million (31 December 2023: £1,624.2 million), and by floating charges over the assets of certain subsidiaries.

There are currently no restrictions on the remittance of income from investment properties.

Certain borrowing agreements contain financial and other covenants that, if contravened, could alter the repayment profile. Details of financial covenants are included on page 52. The Group has complied with the financial covenants of all its borrowings during both years presented.

The Group has two revolving credit facilities totalling £450 million, which are undrawn at 31 December 2024.

Undrawn facilities and cash attributable to the Group, excluding tenant deposits, at 31 December 2024 were £559.8 million (31 December 2023: £485.7 million).

The fair value of the Group's borrowings has been estimated using the market value for floating rate borrowings, which approximates nominal value, and are classified as Level 2 fair values as defined by IFRS 13. The fair values of fixed rate borrowings have been determined by using a discounted cash flow approach, using a current borrowing rate. The loans are classified as Level 3 fair value measurements as defined by IFRS 13 due to the use of unobservable inputs, including own credit risk. The different valuation levels are defined in note 10 'Property Portfolio'.

15 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

The table below sets out each class of financial asset and financial liability as at 31 December:

	Note	2024		2023	
		Carrying value £m	Gain/(loss) to profit or loss £m	Carrying value £m	Gain/(loss) to profit or loss £m
Derivative financial assets		3.4	(6.3)	9.7	(7.4)
Total held for trading assets		3.4	(6.3)	9.7	(7.4)
Cash and cash equivalents	13	124.0	-	200.2	-
Other financial assets ¹		115.0	-	113.2	-
Total cash and other financial assets		239.0	-	313.4	-
Investment held at fair value through profit or loss ²		-	-	-	52.0
Total investment held at fair value through profit or loss		-	-	-	52.0
Derivative financial liabilities		(1.8)	5.4	(7.2)	(3.9)
Total held for trading liabilities		(1.8)	5.4	(7.2)	(3.9)
Borrowings	14	(1,467.8)	-	(1,629.7)	-
Lease liabilities		(3.0)	-	(3.0)	-
Other financial liabilities ³		(62.7)	-	(78.5)	-
Total borrowings and other financial liabilities		(1,533.5)	-	(1,711.2)	-

1. Includes rent receivable, amounts due from joint ventures and associates and other receivables.

2. £52.0 million gain recognised in 2023 relates to the fair value movement on the 97 million Shaftesbury PLC shares held until completion of the all-share merger on 6 March 2023.

3. Includes trade and other payables (excluding rents in advance).

15 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES CONTINUED

Fair value estimation

Financial instruments carried at fair value are required to be analysed by level depending on the valuation method adopted under IFRS 13. The different valuation levels are defined in note 10 'Property portfolio'.

The table below present the Group's financial assets and liabilities recognised at fair value at 31 December 2024 and 31 December 2023. There were no transfers between levels during the year.

	2024				2023			
	Level 1 £m	Level 2 £m	Level 3 £m	Total £m	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Held for trading assets								
Derivative financial assets	-	3.4	-	3.4	-	9.7	-	9.7
Total assets	-	3.4	-	3.4	-	9.7	-	9.7
Held for trading liabilities								
Derivative financial liabilities	-	(1.8)	-	(1.8)	-	(7.2)	-	(7.2)
Total liabilities	-	(1.8)	-	(1.8)	-	(7.2)	-	(7.2)

The fair values of derivative financial instruments are determined from observable market prices or estimated using appropriate yield curves at 31 December each year by discounting the future contractual cash flows to the net present values.

The fair values of the Group's cash and cash equivalents, other financial assets carried at amortised cost and other financial liabilities are not materially different from those at which they are carried in the consolidated financial statements.

16 SHARE CAPITAL AND SHARE PREMIUM

Issue type	Transaction date	Issue price (pence)	Number of shares	Share capital £m ¹	Share premium £m
At 1 January 2023			851,450,638	212.8	232.5
Issued to satisfy employee share scheme awards	March	25	6,170,629	1.5	-
Issued on completion of all-share merger ²	March	25	1,095,549,228	273.9	-
At 31 December 2023			1,953,170,495	488.2	232.5
Issued to satisfy employee share scheme awards ³	June	25	7,643	-	-
At 31 December 2024			1,953,178,138	488.2	232.5

1. Nominal value of share capital of 25 pence per share.

2. On completion of the all-share merger on 6 March 2023, 1,095,549,228 new shares were issued (including 128,350,793 shares issued to a Shaftesbury Capital controlled entity in respect of secured shares previously held as collateral for the exchangeable bonds).

3. On 10 June 2024, 7,643 new shares were issued to satisfy employee share scheme awards.

17 CAPITAL COMMITMENTS

At 31 December 2024, the Group was contractually committed to £24.1 million (31 December 2023: £24.8 million) of future expenditure for the purchase, construction, refurbishment and enhancement of investment property.

The Group's share of joint ventures capital commitments arising on LSJV amounts to nil (31 December 2023: nil).

18 CONTINGENT LIABILITIES

The Group has contingent liabilities in respect of legislation, sustainability targets, legal claims, guarantees and warranties arising from the ordinary course of business. There are no contingent liabilities that require disclosure or recognition in the consolidated financial statements.

19 CASH FLOWS FROM OPERATING ACTIVITIES

	Note	2024 £m	2023 £m
Profit before tax		252.4	750.6
<i>Adjustments:</i>			
(Gain)/loss on revaluation and sale of investment property ¹		(197.6)	65.0
Gain on bargain purchase		-	(805.5)
Change in value of investments and other receivables		7.0	12.5
Change in fair value of financial assets at fair value through profit or loss	15	-	(52.0)
Depreciation ²		0.7	0.4
Amortisation of tenant lease incentives and other direct costs		(5.6)	0.1
Provision for expected credit loss		3.9	2.0
Profit from joint ventures and associates	11	(4.5)	(0.2)
Share-based payment		3.1	7.9
Finance income	6	(14.8)	(15.6)
Other finance income	6	(4.5)	(4.1)
Finance costs	7	72.0	67.5
Other finance costs	7	6.5	31.3
Change in fair value of derivative financial instruments		0.9	11.3
Loss on sale of associate	11	4.0	-
<i>Change in working capital:</i>			
Change in trade and other receivables		(4.6)	(27.1)
Change in trade and other payables		(10.2)	(14.3)
Cash generated from operations		108.7	29.8

1. Included within the gain on revaluation and sale of investment property in the consolidated income statement is cash transaction costs of £3.0 million incurred on the disposal of property.

2. £0.3 million of depreciation is recognised within note 5 'Administration expenses' and £0.4 million is recognised within note 4 'Gross profit'.

20 RELATED PARTY TRANSACTIONS

Transactions between the Group and its joint ventures and associates

Transactions during the year between the Group and its joint ventures and associates, which are related parties, are disclosed in notes 11 'Investment in joint ventures and associates', 12 'Trade and other receivables' and 17 'Capital commitments'. During the year the Group received management fees of nil (31 December 2023: £0.1 million) that were charged on an arm's length basis.

Property owned by Directors of the Company

A related party of the Group, Lillie Square GP Limited, entered into the following related party transaction as defined by IAS 24 'Related Party Disclosures':

Situl Jobanputra, Chief Financial Officer of Shaftesbury Capital, and a family member own an apartment in the Lillie Square development. The disclosures in respect of this purchase were included in previous financial statements.

Owners of apartments in the Lillie Square development are required to pay annual ground rent, insurance premium fees, maintenance work fees and bi-annual service charge fees, which for Directors are related party transactions. During 2024, £7,962.78 had been paid to a related party of the Shaftesbury Capital Group, Lillie Square GP Limited, in relation to these charges.

Transactions with Directors are conducted at fair and reasonable market price based upon similar comparable transactions at that time. Where applicable, appropriate approval has been provided. Lillie Square GP Limited acts in the capacity of general partner to Lillie Square LP, a joint venture between the Group and KFI.

21 POST BALANCE SHEET EVENTS

In January 2025, the Group completed on the disposal of an investment property for £3.0 million (before costs). The property was classified as held for sale as at 31 December 2024. In February 2025, the Group acquired an investment property for £6.0 million (before costs).

ALTERNATIVE PERFORMANCE MEASURES (UNAUDITED)

The Group has applied the European Securities and Markets Authority guidelines on alternative performance measures ("APMs") in these results. An APM is a financial measure of historical or future finance performance, position or cash flow of the Group which is not a measure defined or specified in IFRS. Set out below is a summary of the APMs.

Many of the APMs included are based on the EPRA Best Practice Recommendations reporting framework, a set of standard disclosures for the property industry, which aims to improve the transparency, comparability and relevance of published results of public real estate companies in Europe.

The Group also uses underlying earnings, property portfolio and financial debt ratio APMs. Financial debt ratios are supplementary ratios which we believe are useful in monitoring the capital structure of the Group. Additionally, loan-to-value and interest cover are covenants within many of the Group's borrowing facilities.

APM	Definition of measure	Nearest IFRS measure	Explanation/ reconciliation	2024	2023
Underlying earnings	EPRA earnings adjusted for items not considered part of the core underlying activities of the Group	Profit for the year	Note 3	£73.0m	£60.4m
	2023 pro forma underlying earnings ¹	Profit for the year	Table 4	N/A	£62.8m
Underlying earnings per share	Underlying earnings per weighted average number of ordinary shares	Basic earnings per share	Note 3	4.0p	3.7p
	2023 pro forma underlying earnings per weighted average number of ordinary shares	Basic earnings per share	Table 4	N/A	3.4p
EPRA earnings ²	Earnings that reflect the operational performance of the Group	Profit for the year	Note 3	£75.3m	£67.9m
EPRA earnings per share ²	EPRA earnings per weighted average number of ordinary shares	Basic earnings per share	Note 3	4.1p	4.1p
EPRA NTA	Net asset value adjusted to include properties at fair value and to exclude certain items not expected to crystallise in a long-term investment property business model	Net assets attributable to shareholders	Note 3	£3,671.1m	£3,479.4m
EPRA NTA per share	EPRA NTA per the diluted number of ordinary shares	Net assets attributable to shareholders per share	Note 3	200.2p	190.3p
Market value of property portfolio	Market value of wholly-owned property portfolio	Investment property	Note 10	£4,973.5m	£4,795.3m
Loan-to-value	Net debt, at nominal value and excluding tenant deposits, divided by market value of property portfolio	N/A	Covenants Page 52	28.2%	31.3%
Interest cover	Underlying gross profit and other income divided by net underlying finance costs	N/A	Covenants Page 52	292.1%	288.4%
Interest cover (excluding non-underlying administrative expenses)	Underlying gross profit and other income less underlying administrative expenses divided by net underlying finance costs	N/A	Covenants Page 52	223.3%	212.7%
Total accounting return (TAR)	The movement in EPRA NTA per share plus dividends per share paid during the year.	N/A	Table 1	7.0%	5.8%
Total property return (TPR)	Capital growth including gains and losses on disposals plus rent received less associated costs, including ground rent	N/A	Table 2	7.6%	2.2%
Net debt to EBITDA	Net debt at nominal value, excluding tenant deposits, divided by EBITDA	N/A	Table 3	10.9	13.9
Gross debt with interest rate protection	Proportion of the gross debt with interest rate protection, including interest on cash deposits	N/A	N/A	100%	100%
Weighted average cost of debt - gross	Cost of debt weighted by the drawn balance of external borrowings	N/A	Financial Review, page 19	4.0%	4.2%
Weighted average cost of debt - net	Cost of debt weighted by the drawn and undrawn balance of external debt	N/A	Financial Review, page 19	3.7%	3.4%
Cash and undrawn committed facilities	Cash and cash equivalents, excluding tenant deposits, plus undrawn committed facilities	N/A	Financial Review, page 19	£559.8m	£485.7m

1. The underlying earnings growth on a pro-forma basis is 16.2 per cent.

2. Prior year comparatives have been represented based on changes to EPRA earnings following the publication of updated EPRA Best Practice Recommendations Guidelines in September 2024. Refer to note 3 'Performance measures' for further details.

1. Total accounting return

	Note	2024 £m	2023 £m
Opening EPRA NTA (A)	3	190.3p	182.1p
Closing EPRA (NTA)	3	200.2p	190.3p
Increase in the year		9.9p	8.2p
Adjusted for:			
Dividends per share paid in the current year	9	3.4p	2.3p
Total accounting return (B)		13.3p	10.5p
Total accounting return % (B/A)		7.0%	5.8%

2. Total property return

	Note	2024 £m
Gross profit	4	167.1
Gain on revaluation and sale of investment property		194.6
Total capital return (A)		361.7
Market value of wholly-owned property portfolio	10	4,973.5
Gain on revaluation and sale of investment property		(194.6)
Capital employed (B)		4,778.9
Total property return (A/B)¹		7.6%

1. The prior year total property return of 2.2 per cent was calculated based on pro-forma information (obtained from internal management accounts), assuming the all-share merger had completed at the start of the financial year.

3. Net debt to EBITDA

	Note	2024 £m	2023 £m
Underlying gross profit ¹	4	167.1	147.0
Underlying administration expenses ²	5	(39.4)	(39.3)
		127.7	107.7
Adjusted for:			
Depreciation		0.7	0.4
EBITDA (A)		128.4	108.1
Net debt (B)	14	1,405.0	1,499.1
Net debt to EBITDA (B/A)		10.9	13.9

1. Underlying gross profit for 2023 excludes the £5.1 million charge relating to the alignment of accounting policies on completion of the merger as does not reflect the true performance of the business.

2. Underlying administration expenses exclude £3.3 million (2023: £44.5 million) of merger-related transaction and integration costs and non-underlying administration expenses.

4. 2023 Pro forma underlying earnings

	Pro forma 2023 £m
Shaftesbury Capital PLC 31 December 2023 ¹	57.8
Shaftesbury PLC 1 January 2023 to 5 March 2023 ²	5.0
Pro-forma underlying earnings	62.8
Weighted average number of shares (million) ³	1,821.7
Underlying earnings per share	3.4p

1. Represents the standalone results of Capital & Counties Properties PLC for the 1 January to 5 March 2023, and that of the Group for the period 6 March to 31 December 2023, less the dividend income of £2.6 million received for the shareholding held in Shaftesbury PLC pre-merger.

2. Reflects the underlying earnings for Shaftesbury PLC for the period 1 January to 5 March 2023 obtained from internal management accounts of Shaftesbury PLC.

3. Weighted average number of shares used reflects that the shares issued on completion of the merger had been effective from the beginning of the financial year.

COVENANTS

Financial covenants

	Maturity	31 December 2024			
		Nominal value £m	Carrying value £m	LTV covenant	Interest cover covenant
Private placement loan notes	2026-2037	380.0	379.3	60%	1.20x
Exchangeable bond	2026	275.0	272.8	N/A	N/A
Unsecured term facilities ¹	2027-2029	275.0	269.9	60%	1.20x
Secured term loans (Canada Life)	2029	134.8	128.5	60%	1.40x
Secured term loans (Aviva)	2030-2035	450.0	417.2	65%	1.35x
Unsecured revolving credit facility (undrawn) ¹	2027	150.0	-	60%	1.20x
Revolving credit facility (undrawn)	2028	300.0	-	60%	1.20x

1. Additional requirement that Group unencumbered assets are equal to or exceed 1.5x of Group unsecured debt.

Loan-to-value

	Note	2024 £m	2023 £m
Debt at nominal value	14	1,514.8	1,684.8
Less: cash	13	(109.8)	(185.7)
Net debt (A)		1,405.0	1,499.1
Total property portfolio at market value (B)	10	4,973.5	4,795.3
Loan-to-value (A/B)		28.2%	31.3%

Interest cover

	Note	2024 £m	2023 £m
Finance costs	7	(72.0)	(67.5)
Finance income	6	14.8	15.6
Net finance costs (A)		(57.2)	(51.9)
<i>Underlying operating income:</i>			
Gross profit ¹	4	167.1	147.0
Other income		-	2.7
Underlying operating income (B)		167.1	149.7
Interest cover (B/A)		292.1%	288.4%

1. 2023 excludes a £5.1 million charge relating to the alignment of accounting policies on completion of the merger.

Interest cover (excluding non-underlying administration expenses)

	Note	2024 £m	2023 £m
Finance costs	7	(72.0)	(67.5)
Finance income	6	14.8	15.6
Net finance costs (A)		(57.2)	(51.9)
<i>Underlying operating profit:</i>			
Gross profit ¹	4	167.1	147.0
Other income		-	2.7
Administration expenses	5	(42.7)	(83.8)
Less: merger related transaction and integration costs and non-underlying administration expenses	5	3.3	44.5
Underlying operating profit (B)		127.7	110.4
Interest cover (excluding non-underlying administration expenses) (B/A)		223.3%	212.7%

1. 2023 excludes a £5.1 million charge relating to the alignment of accounting policies on completion of the merger.

EPRA MEASURES

EPRA Net Reinstatement Value (“EPRA NRV”), EPRA Net Tangible Assets (“EPRA NTA”) and EPRA Net Disposal Value (“EPRA NDV”) are alternative performance measures that are calculated in accordance with the Best Practices Recommendations of the European Public Real Estate Association (EPRA) to provide a transparent and consistent basis to enable comparison between European property companies. EPRA NTA is considered to be the most relevant measure for the Group’s operating activity and is the primary measure of net asset value.

The following is a summary of EPRA performance measures and key Group measures. The measures are defined in the Glossary.

EPRA measure	Definition of measure	Explanation/ reconciliation	2024	2023
EPRA earnings ¹	Earnings that reflect the operational performance of the Group	Note 3	75.3m	67.9m
EPRA earnings per share ¹	EPRA earnings per weighted average number of ordinary shares	Note 3	4.1p	4.1p
EPRA NTA	Net asset value adjusted to include properties at fair value and to exclude certain items not expected to crystallise in a long-term investment property business model	Note 3	3,671.1m	3,479.4m
EPRA NTA per share	EPRA NTA per the diluted number of ordinary shares	Note 3	200.2p	190.3p
EPRA NDV	EPRA NTA amended to include the fair value of financial instruments and debt	Note 3	3,725.2m	3,511.7m
EPRA NDV per share	EPRA NDV per the diluted number of ordinary shares	Note 3	203.2p	192.0p
EPRA NRV	EPRA NTA amended to include real estate transfer tax	Note 3	4,004.2m	3,811.6m
EPRA NRV per share	EPRA NRV per the diluted number of ordinary shares	Note 3	218.4p	208.4p
EPRA net initial yield	Annualised rental income less non-recoverable costs as a percentage of market value plus assumed purchaser’s costs	Table 1	3.8%	3.8%
EPRA topped-up initial yield	Net initial yield adjusted for the expiration of the rent-free periods	Table 1	4.1%	4.2%
EPRA vacancy	ERV of unlet units (including those under offer) expressed as a percentage of the ERV of the portfolio excluding units under development	Table 2	3.9%	4.9%
Capital Expenditure	Capital expenditure on acquisition and development of investment property portfolio	Table 3	131.4m	53.8m
EPRA LTV (Loan-to-Value)	Ratio of adjusted net debt, including net payables, to the sum of the net assets, including net receivables, of the Group, its subsidiaries and joint ventures and associates, all on a proportionate basis, expressed as a percentage	Table 4	27.4%	30.9%
EPRA cost ratio	Total adjusted costs as a percentage of gross rental income (including direct vacancy costs)	Table 5	38.9%	65.6%
	Total adjusted costs as a percentage of gross rental income (excluding direct vacancy costs)	Table 5	34.8%	60.8%
Adjusted Company cost ratio	Total adjusted costs as a percentage of adjusted gross rental income (including direct vacancy costs)	Table 5	37.3%	39.9%
	Total adjusted costs as a percentage of adjusted gross rental income (excluding direct vacancy costs)	Table 5	33.3%	35.2%
Like-for-like rental growth	Rental income for properties which have been owned throughout both years without significant capital expenditure in either year, so income can be compared on a like-for-like basis	Table 6	5.7%	13.2%

1. Prior year comparatives have been represented based on changes to EPRA earnings following the publication of EPRA Best Practice Recommendations Guidelines in September 2024. Refer to note 3 ‘Performance measures’ for further details.

1. EPRA Net initial yield and EPRA 'topped-up' net initial yield

	Note	2024 £m	2023 £m
Investment property – wholly owned	10	4,973.5	4,795.3
Investment property – share of joint ventures and associates		43.7	182.2
Trading property (including share of joint venture)		21.6	41.8
Less: developments		(228.0)	(284.1)
Completed property portfolio		4,810.8	4,735.2
Allowance for estimated purchasers' costs		333.1	316.8
Gross up completed property portfolio valuation (A)		5,143.9	5,052.0
Annualised cash passing rental income		204.7	202.7
Property outgoings		(6.9)	(10.6)
Annualised net rents (B)		197.8	192.1
Add: notional rent expiration of rent periods or other lease incentives		14.9	18.2
Topped-up net annualised rent (C)		212.7	210.3
EPRA Net Initial Yield (B/A)		3.8%	3.8%
EPRA 'topped-up' Net Initial Yield (C/A)		4.1%	4.2%

The EPRA Net Initial Yield and EPRA 'topped-up' Net Initial Yield are calculated based on EPRA guidelines and includes the wholly-owned property portfolio and the Group's share of Lillie Square and Longmartin (applicable only up until the point of disposal in October 2024).

2. EPRA vacancy rate

	2024 £m	2023 £m
Estimated rental value of vacant space	9.3	10.9
Estimated rental value of the portfolio less refurbishment estimated rental value	237.1	223.0
EPRA vacancy rate	3.9%	4.9%

EPRA vacancy rate includes units under offer, net of which vacancy relating to units available to let is 2.6 per cent. Investment properties held within the joint venture at Lillie Square totalling £43.7 million (our share) (31 December 2023: £182.2 million (our share of Lillie Square and Longmartin)) is not included in the vacancy rate above.

3. Property related capex

	2024			2023 ¹		
	Group (excluding joint ventures and associates) £m	Joint ventures and associates £m	Total Group £m	Group (excluding joint ventures and associates) £m	Joint ventures and associates £m	Total Group £m
Acquisitions	84.9	-	84.9	17.4	-	17.4
Development	-	0.2	0.2	-	0.8	0.8
Investment property	-	-	-	-	-	-
Incremental lettable space	2.0	-	2.0	5.1	-	5.1
No incremental lettable space	38.3	0.8	39.1	28.5	0.5	29.0
Tenant lease incentives	2.8	-	2.8	1.5	0.3	1.8
Total CapEx	128.0	1.0	129.0	52.5	1.6	54.1
Conversion from accrual to cash basis	2.4	-	2.4	(1.3)	1.0	(0.3)
Total CapEx on cash basis	130.4	1.0	131.4	51.2	2.6	53.8

1. The property-related capex represents the standalone performance of Capital & Counties Properties PLC for the period 1 January to 5 March 2023 and that of the Group from 6 March 2023 to 31 December 2023.

4. EPRA LTV (Loan-to-Value)

	2024		
	Group £m	Share of joint ventures and associates £m	Total £m
Borrowings from financial institutions	(1,239.8)	-	(1,239.8)
Exchangeable bond	(275.0)	-	(275.0)
Exclude:			
Cash and cash equivalents ¹	124.0	4.9	128.9
EPRA net debt (B)	(1,390.8)	4.9	(1,385.9)
Investment property at fair value	4,943.6	43.7	4,987.3
Owner occupied property at fair value	20.1	-	20.1
Properties held for sale at fair value	9.8	-	9.8
Properties under development	-	21.6	21.6
Net receivables	85.5	(61.5)	24.0
Total property value (A)	5,059.0	3.8	5,062.8

EPRA LTV (B/A) **27.4%**

1. Includes tenant deposits of £14.2 million held as security against tenant rent payments which are subject to certain restrictions and therefore not available for general use by the Group.

	2023		
	Group £m	Share of joint ventures and associates £m	Total £m
Borrowings from financial institutions	(1,409.8)	(60.0)	(1,469.8)
Exchangeable bond	(275.0)	-	(275.0)
Net payables	62.6	(80.4)	(17.8)
Exclude:			
Cash and cash equivalents ¹	200.2	9.9	210.1
Net debt (B)	(1,422.0)	(130.5)	(1,552.5)
Investment property at fair value	4,775.1	182.2	4,957.3
Owner occupied property at fair value	20.2	-	20.2
Properties under development	-	41.8	41.8
Total property value (A)	4,795.3	224.0	5,019.3

EPRA LTV (B/A) **30.9%**

1. Includes tenant deposits of £14.5 million held as security against tenant payments which are subject to certain restrictions and therefore not available for general use by the Group.

5. EPRA cost ratio

	2024 £m	2023 £m
Administrative expenses ¹	42.7	83.8
Total property outgoings	56.1	51.2
Provision for expected credit loss	3.9	2.0
Less: Service charge expense	(22.1)	(19.3)
Management fee	(0.1)	(0.1)
Share of joint ventures and associates expenses	2.9	3.5
Exclude:		
Ground rent cost	(0.4)	(0.8)
EPRA Cost (including direct vacancy costs) (A)	83.0	120.3
Direct vacancy costs	(8.6)	(8.9)
EPRA Costs (excluding direct vacancy costs) (B)	74.4	111.4
Gross Rental Income less ground rent costs	226.7	194.3
Less: Service charge income	(22.1)	(19.3)
Share of joint ventures and associates property income	8.8	8.3
Adjusted gross rental income (C)	213.4	183.3
EPRA Cost Ratio (including direct vacancy costs) (A/C)	38.9%	65.6%
EPRA Cost Ratio (excluding direct vacancy costs) (B/C)	34.9%	60.8%
Company specific adjustments²:		
Non-underlying administrative expenses	(3.3)	(44.5)
Impact of change in accounting policy on property outgoings	-	(1.0)
Company specific adjustments for costs (D)	(3.3)	(45.5)
Adjusted Company Cost (including direct vacancy costs) (E = A+D)	79.7	74.8
Adjusted Company Cost (excluding direct vacancy costs) (F = B+D)	71.1	65.9
Impact of change in accounting policy on rental income ²	-	4.1
Adjusted Company gross rental income (G)	213.4	187.4
Adjusted Company Cost Ratio (including direct vacancy costs) (E/G)	37.3%	39.9%
Adjusted Company Cost Ratio (excluding direct vacancy costs) (F/G)	33.3%	35.2%

1. £0.7 million (2023: £0.3 million) of administrative expenses were capitalised during the year. These capitalised costs mainly relate to employee costs as it is the Group's policy to capitalise directly attributable overheads and operating expenses to assets under refurbishment or development.

2. Company specific adjustment relates to non-underlying administrative expenses and do not represent the recurring, underlying performance of the Group. Details of non-underlying expenses are set out in note 5 'Administration expenses'. The prior year company specific adjustments include an adjustment relating to the alignment of accounting policies on completion of the merger. £4.1 million of the adjustment was recognised through the straight lining of tenant lease incentives and £1.0 million in property expenses.

6. Like-for-like rental growth

The like-for-like rental growth presented represents 100 per cent of the wholly owned property portfolio, where all assets are located in the West End of London.

	2024 £m	Pro-forma 2023 £m
Rental income in current year	205.0	196.5
Adjusted for impact of:		
Acquisitions	(2.8)	(0.4)
Disposals	(2.9)	(4.1)
Change in accounting policy ¹	-	4.1
Like-for-like rental income in current year (A)	199.3	196.1
Rental income in previous year	196.5	178.2
Adjusted for impact of:		
Acquisitions	-	(0.1)
Disposals	(12.1)	(4.8)
Change in accounting policy ¹	4.1	-
Like-for-like rental income in prior year (B)	188.5	173.3
Like-for-like growth in rental income ((A-B)/B)	5.7%	13.2%

1. There was a £4.1 million reduction to 2023 straight-lining of tenant lease incentives as a result of the alignment of accounting policies following the merger

Rental income for the year ended 31 December 2023 used within the like-for like rental growth calculation above, has been determined based on pro forma information. The table below summarises the pro forma information.

	Shaftesbury Capital PLC 31 December 2023 ¹ £m	Shaftesbury PLC 1 January to 5 March 2023 ² £m	Pro forma 2023 £m
Rent receivable	171.9	21.2	193.1
Straight-lining of tenant lease incentives	3.9	(0.5)	3.4
Rental income	175.8	20.7	196.5

1. As reported in note 4 'Gross profit'. Represents the standalone results of Capital & Counties Properties PLC for 1 January to 5 March 2023 and that of the Group from 6 March to 31 December 2023.

2. Reflects the rental income for Shaftesbury PLC for the period 1 January to 5 March 2023 obtained from internal management accounts of Shaftesbury PLC. The amounts have not been adjusted for accounting policy alignments or fair value adjustments.

ANALYSIS OF PROPERTY PORTFOLIO

For the year ended 31 December 2024

Wholly-owned portfolio valuation by use

Portfolio by use as at 31 December 2024	Retail	Food & beverage	Offices	Commercial	Residential	Wholly-owned portfolio
Valuation (£m) ¹	1,784.2	1,664.8	877.9	4,326.9	644.7	4,971.6
Valuation (%)	36%	33%	18%	87%	13%	100%
L-f-L valuation movement (FY 2024)	+7.5%	+4.7%	+3.1%	+5.5%	-1.6%	+4.5%
L-f-L valuation movement (H2 2024)	+6.5%	+2.2%	+1.2%	+3.7%	-1.0%	+3.1%
Annualised gross income (£m)	73.2	73.0	33.6	179.8	23.0	202.8
Annualised gross income (%)	36%	36%	17%	89%	11%	100%
L-f-L annualised gross income growth (FY 2024)	+9.1%	+4.2%	+18.3%	+8.6%	+3.9%	+8.0%
L-f-L annualised gross income growth (H2 2024)	+5.3%	-	+12.0%	+4.2%	+2.9%	+4.1%
ERV (£m)	90.2	85.0	50.5	225.7	24.9	250.6
ERV (%)	36%	34%	20%	90%	10%	100%
L-f-L ERV movement (FY 2024)	+11.2%	+7.2%	+6.1%	+8.4%	+1.4%	+7.7%
L-f-L ERV movement (H2 2024)	+8.8%	+3.4%	+1.5%	+5.0%	+1.6%	+4.7%
ERV psf (£)	126	91	79	98	60	92
Net initial yield	3.8%	4.0%	3.3%	3.8%	2.9%	3.6%
Topped up net initial yield	4.0%	4.3%	3.8%	4.1%	N/A	3.9%
Equivalent yield	4.5%	4.7%	4.9%	4.6%	3.1%	4.4%
WAULT	3.0	8.1	2.7	4.8	1.1	4.4
Floor Area (sq ft m) ²	0.7	1.0	0.6	2.3	0.4	2.7
Unit Count ²	415	394	404	1,213	656	1,869

1. Excludes £1.9 million of Group properties primarily held in Lillie Square Holdings (a wholly-owned subsidiary).

2. Excluding long-leasehold residential interests.

Wholly-owned portfolio valuation by location

Portfolio by location as at 31 December 2024	Covent Garden	Carnaby Soho	Chinatown	Fitzrovia	Wholly-owned portfolio
Valuation (£m) ¹	2,652.7	1,597.1	716.3	5.5	4,971.6
Valuation (%)	53%	32%	15%	-	100%
L-f-L valuation movement (FY 2024)	+3.7%	+6.4%	+3.7%	-7.1%	+4.5%
L-f-L valuation movement (H2 2024)	+2.8%	+4.3%	+2.0%	-6.1%	+3.1%
Annualised gross income (£m)	104.3	66.2	32.0	0.3	202.8
Annualised gross income (%)	51%	33%	16%	-	100%
L-f-L annualised gross income growth (FY 2024)	+7.2%	+12.1%	+2.8%	-5.3%	+8.0%
L-f-L annualised gross income growth (H2 2024)	+2.7%	+8.4%	+0.4%	-6.0%	+4.1%
ERV (£m)	134.0	81.9	34.4	0.3	250.6
ERV (%)	53%	33%	14%	-	100%
L-f-L ERV movement (FY 2024)	+9.1%	+7.1%	+4.1%	-	+7.7%
L-f-L ERV movement (H2 2024)	+5.5%	+4.5%	+2.0%	-	+4.7%
ERV psf (£)	96	92	81	58	92
Net initial yield	3.6%	3.6%	4.0%	5.0%	3.6%
Topped up net initial yield	3.8%	4.0%	4.1%	5.0%	3.9%
Equivalent yield	4.5%	4.5%	4.3%	4.4%	4.4%
WAULT	4.4	4.0	5.6	6.1	4.4
Floor Area (sq ft m) ²	1.4	0.9	0.4	-	2.7
Unit Count ²	853	660	350	6	1,869

1. Excludes £1.9 million of Group properties primarily held in Lillie Square Holdings (a wholly-owned subsidiary).

2. Excluding long-leasehold residential interests.

DIVIDENDS

The Directors of Shaftesbury Capital PLC have proposed a final cash dividend of 1.8 pence per ordinary share (ISIN GB00B62G9D36) payable on Friday, 30 May 2025.

Dates

The following are the salient dates for the payment of the proposed 2024 final cash dividend:

Proposed 2024 final dividend announced	Thursday, 27 February 2025
Sterling/Rand exchange rate struck	Wednesday, 9 April 2025
Sterling/Rand exchange rate and dividend amount in Rand announced by 11.00 am (South Africa time)	Thursday, 10 April 2025
Last day to trade cum-dividend*	Tuesday, 22 April 2025
Ordinary shares listed ex-dividend on the Johannesburg Stock Exchange	Wednesday, 23 April 2025
Ordinary shares listed ex-dividend on the London Stock Exchange	Thursday, 24 April 2025
Record date for the 2024 final dividend in UK and South Africa	Friday, 25 April 2025
Deadline for submission of declaration of eligibility to receive gross PID payment to UK registrar	Friday, 25 April 2025 (COB)
Annual General Meeting	Thursday, 22 May 2025
Dividend payment date for shareholders	Friday, 30 May 2025

The proposed 2024 final cash dividend is subject to approval at the Company's Annual General Meeting, to be held on Thursday, 22 May 2025.

* South African shareholders should note that, in accordance with the requirements of Strate, the last day to trade cum-dividend on the Johannesburg Stock Exchange will be Tuesday, 22 April 2025. No dematerialisation or rematerialisation of shares will be possible from Wednesday, 23 April 2025 to Friday, 25 April 2025 inclusive. No transfers between the UK and South African registers may take place from close of business on Thursday, 10 April 2025 to Friday, 25 April 2025 inclusive.

The above dates are proposed and subject to change.

The proposed 2024 final cash dividend will be paid wholly as a Property Income Distribution ("PID"). There will be no Non-PID (ordinary dividend) element of the final cash dividend. As such, the entire final cash dividend will be subject to a deduction of a 20 per cent UK withholding tax unless exemptions apply.

Information for shareholders

The information below is included only as a general guide to taxation for shareholders based on Shaftesbury Capital's understanding of the law and the practice currently in force. Any shareholder who is in any doubt as to their tax position should seek independent professional advice.

UK shareholders

The proposed 2024 final cash dividend will be paid wholly as a PID. Certain categories of shareholders may be eligible for exemption from the 20 per cent UK withholding tax and may register to receive their dividends on a gross basis. Further information, including the required forms, is available from the 'Investor Information' section of the Company's website (<https://www.shaftesburycapital.com/en/investors/investor-information.html>), or on request from the Company's UK registrar, MUFG Corporate Markets. Validly completed forms must be received by MUFG Corporate Markets no later than the dividend record date, as advised; otherwise the dividend will be paid after deduction of tax.

There will be no Non-PID element of the final cash dividend.

South African shareholders

The proposed 2024 final cash dividend proposed by the Company is a foreign payment and the funds are sourced from the UK.

PID: The proposed 2024 final cash dividend will be paid wholly as a PID and a 20 per cent UK withholding tax is applicable to a PID. As such, South African shareholders may apply to HMRC after payment of the proposed 2024 final cash dividend for a refund of the difference between the 20 per cent UK withholding tax and the UK/South African double taxation treaty rate of 15 per cent.

The proposed 2024 final cash dividend will be exempt from income tax but will constitute a dividend for Dividends Tax purposes, as it will be declared in respect of a share listed on the exchange operated by the JSE. SA Dividends Tax will therefore be withheld from the proposed 2024 final cash dividend at a rate of 20 per cent, unless a shareholder qualifies for an exemption and the prescribed requirements for effecting the exemption are in place by the requisite date. Certain shareholders may also qualify for a reduction of SA Dividends Tax liability to 5 per cent (being the difference between the SA dividends tax rate and the effective UK withholding tax rate of 15 per cent) if the prescribed requirements for effecting the reduction are in place by the requisite date.

DIVIDENDS CONTINUED

Non-PID: There will be no Non-PID element of the proposed 2024 final cash dividend.

Other overseas shareholders

Other non-UK shareholders may be able to make claims for a refund of UK withholding tax deducted pursuant to the application of a relevant double taxation convention. UK withholding tax refunds can only be claimed from HMRC, the UK tax authority.

Additional information on PIDs and ordinary dividends (Non-PIDs) can be found at <https://www.shaftesburycapital.com/en/investors/investor-information/reit.html>

Cash dividends paid directly to bank or building society account

Cash dividend payments made by the Company, including the final dividend of 1.8 pence per ordinary share subject to shareholder approval at the 2025 Annual General Meeting, will now only be paid by electronic means. The Company will no longer be issuing payments by cheque. To receive cash dividends, shareholders must ensure that they have registered their bank/building society details with the appropriate registrar. Visit the dividend information section of our website for more details (<https://www.shaftesburycapital.com/en/investors/investor-information/dividend-information.html>).

GLOSSARY

Annualised gross income

Total annualised actual and “estimated income” from leases at a valuation date. It includes sundry non-leased income and estimated turnover related rents. No rent is attributed to leases which were subject to rent free periods at that date. It does not reflect any head rents and estimated irrecoverable outgoings at the valuation date. “Estimated income” refers to gross ERVs in respect of rent reviews outstanding at the valuation date and, where appropriate, ERV in respect of lease renewals outstanding at the valuation date where the fair value reflects terms for a renewed lease.

APM (Alternative Performance Measure)

A financial measure of historical or future financial performance, position or cash flows of the Group which is not a measure defined or specified in IFRS.

Capco

Capco represents Shaftesbury Capital PLC, formerly Capital & Counties Properties PLC, (also referred to as “the Company”) and all its subsidiaries and group undertakings, collectively referred to as “the Group”.

Cash and undrawn committed facilities

Cash and cash equivalents, excluding tenant deposits, plus undrawn committed facilities.

Category A (Cat A)

A Category A (Cat A) office refurbishment refers to the basic fit-out of an office space, typically including essential infrastructure such as raised floors, suspended ceilings, lighting, air conditioning, and basic fire and safety systems. This level of refurbishment prepares the space for tenant occupation but does not include interior design elements, partitions, or bespoke fittings.

Contracted income

Includes rent frees and contracted rent increases.

CRREM

Carbon Risk Real Estate Monitor. The leasing global standard and initiative for operational decarbonisation of real estate assets.

EBITDA

EBITDA represents underlying earnings before interest, tax, depreciation and amortisation.

EPC (Energy Performance Certificate)

An asset rating setting out how energy efficient a building is, rated by its carbon dioxide emission on a scale of A to G, with A being the most energy efficient.

EPRA

European Public Real Estate Association, the publisher of Best Practice Recommendations intended to make financial statements of public real estate companies in Europe clearer, more transparent and comparable.

EPRA cost ratio (including direct vacancy costs)

EPRA cost ratio (including direct vacancy costs) is a proportionally consolidated measure of the ratio of net overheads and operating expenses against gross rental income (with both amounts excluding ground rents payable). Net overheads and operating expenses relate to all administrative and operating expenses, net of any service fees, recharges or other income specifically intended to cover overhead and property expenses.

EPRA cost ratio (excluding direct vacancy costs)

EPRA cost ratio (excluding direct vacancy costs) is the ratio defined above, but with direct vacancy costs removed from the net overheads and operating expenses balance.

EPRA earnings per share

Profit or loss for the year excluding valuation movements on the wholly-owned, joint venture and associate properties, fair value changes of financial instruments and listed investments, cost of early close out of debt, gain on bargain purchase and IFRS 3 merger-related transaction costs, and unlikely to reoccur in the foreseeable future, divided by the weighted average number of shares in issue during the year.

EPRA LTV (loan-to-value)

Ratio of net debt, including net payables, to the sum of the net assets, including net receivables, of the Group, its subsidiaries and joint ventures and associates, all on a proportionate basis, expressed as a percentage. The calculation includes trading properties at fair value and debt at nominal value.

EPRA NDV (net disposal value) per share

The net assets as at the end of the year including the excess of the fair value of trading property over its cost, revaluation of other non-current investments and the fair value of fixed interest rate debt over their carrying value, divided by the diluted number of ordinary shares.

EPRA net initial yield

Annualised net rent (after deduction of revenue costs such as head rent, running void, service charge after shortfalls and empty rates) on investment and development property expressed as a percentage of the gross market value before deduction of theoretical acquisition costs.

EPRA NTA (net tangible assets) per share

The net assets as at the end of the year including the excess of the fair value of trading property over its cost and revaluation of other non-current investments, excluding the fair value of financial instruments and deferred tax on revaluations, divided by the diluted number of ordinary shares.

EPRA NRV (net reinstatement value) per share

The net assets as at the end of the year including the excess of the fair value of trading property over its cost and excluding the fair value of financial instruments, deferred tax on revaluations and diluting for the effect of those shares potentially issuable under employee share schemes plus a gross up adjustment for related costs such as Real Estate Transfer Tax, divided by the diluted number of ordinary shares.

EPRA topped-up initial yield

EPRA net initial yield adjusted for the expiration of rent-free periods.

EPRA vacancy

ERV of un-let units, including those under offer, expressed as a percentage of the ERV of the wholly-owned property portfolio excluding units under development.

ERV (Estimated rental value)

The external valuers' estimate of the open market rent which, on the date of valuation, could reasonably be expected to be obtained on a new letting or rent review of the property.

F&B (Food & Beverage)

A sector within the portfolio which includes establishments primarily engaged in the preparation and sale of food and beverages. This encompasses a diverse range of customers including restaurants, cafés, bars, pubs and other hospitality venues.

Headline earnings per share

Headline earnings per share is calculated in accordance with Circular 1/2023 issued by the South African Institute of Chartered Accountants ("SAICA"), a requirement of the Group's JSE listing. This measure is not a requirement of IFRS.

Leasing activity

The rental value secured from lettings, rent reviews and lease renewals during a year.

Like-for-like property

Property which has been owned throughout both years, without significant capital expenditure in either period, so income can be compared on a like-for-like basis. For the purposes of comparison of capital values, this will also include assets owned at the previous balance sheet date but not necessarily throughout the prior year.

LTV (Loan-to-value)

LTV is calculated on the basis of net debt divided by the market value of the wholly owned property portfolio.

Longmartin

Longmartin Properties Limited is a 50 per cent associate between the Group and The Mercers' Company. The Group disposed of its share in Longmartin during the year.

LSJV

The Lillie Square joint venture is a 50 per cent joint venture between the Group and Kwok Family Interests (KFI). The joint venture was established to own, manage and develop land interests at Lillie Square.

MSCI

Producer of an independent benchmark of property returns.

NAV

Net Asset Value.

Net initial yield

The net initial income at the valuation date expressed as a percentage of the gross valuation. Yields reflect net income after deduction of any ground rents, head rents and rent charges and estimated irrecoverable outgoings at the valuation date.

Net debt

Total borrowings, at nominal value, less cash and cash equivalents, excluding tenant deposits.

NRI (Net rental income)

Gross rental income less ground rents, payable service charge expenses and other non-recoverable charges, having taken due account of expected credit loss provisions and adjustments to comply with International Financial Reporting Standards regarding tenant lease incentives.

Nominal equivalent yield

Effective annual yield to a purchaser on the gross market value, assuming rent is receivable annually in arrears, and that the property becomes fully occupied and that all rents revert to the current market level (ERV) at the next review date or lease expiry.

Passing rent

Contracted annual rents receivable at the balance sheet date. This takes no account of accounting adjustments made in respect of rent-free periods or tenant lease incentives, the reclassification of certain lease payments as finance charges or any irrecoverable costs and expenses, and does not include excess turnover rent, additional rent in respect of unsettled rent reviews or sundry income.

PIDs (Property income distributions)

Distribution under the REIT regime that constitutes at least 90 per cent of the Group's taxable income profits arising from its qualifying property rental business, by way of dividend. PIDs can be subject to withholding tax at 20 per cent. If the Group distributes profits from its non-qualifying business, the distribution will be taxed as an ordinary dividend in the hands of the investors.

Private placement loan notes interest cover

Interest cover is calculated based on net rental income, less an administration adjustment of £5.0 million, divided by net finance costs.

Private placement loan notes LTV

LTV is calculated on the basis of net debt divided by the market value of wholly owned property portfolio. This measure is consistent with the LTV ratio disclosed in 'Alternative performance measures' table.

REIT (Real Estate Investment Trust)

A REIT is exempt from corporation tax on income and gains of its property rental business (qualifying activities) provided a number of conditions are met. It remains subject to corporation tax on non-exempt income and gains (non-qualifying activities) which would include any trading activity, interest income and development and management fee income.

RETT (Real Estate Transfer Tax)

Purchasers' cost as included within the independent valuation of investment and trading properties.

Reversionary potential

The amount by which ERV exceeds annualised gross income, measured at a valuation date.

RICS

Royal Institution of Chartered Surveyors.

SBTi

Science Based Targets initiative.

Secured loans interest cover

Interest cover is calculated based on net rental income of the company which holds the loan divided by net finance costs associated with the secured loan.

Secured loans LTV

LTV is calculated based on the secured loan balance outstanding divided by the market value of specified properties.

Shaftesbury Capital

With effect from 6 March 2023, Capital & Counties Properties PLC changed its name to Shaftesbury Capital PLC (also referred to as "the Company" or "Shaftesbury Capital"), and all its subsidiaries and Group undertakings, collectively referred to as "the Group".

SONIA (Sterling Overnight Interbank Average Rate)

The average overnight Sterling risk-free interest rate, set in arrear, paid by banks for unsecured transactions.

Tenant lease incentives

Any incentives offered to customers to enter into a lease. Typically, incentives are in the form of an initial rent-free period and/or a cash contribution to fit-out the premises. Under IFRS the value of incentives granted to customers are amortised through the consolidated statement of comprehensive income on a straight-line basis to the earlier of break or lease expiry.

Topped-up net initial yield

Net initial yield adjusted for the expiration of rent-free periods.

TAR (Total accounting return)

The movement in EPRA NTA per share plus dividends per share paid during the year.

TPR (Total property return)

Capital growth including gains and losses on disposals plus rent received less associated costs, including ground rent.

TSR (Total shareholder return)

The movement in the price of an ordinary share plus dividends paid during the year assuming re-investment in ordinary shares.

Underlying administrative costs

Administrative expenses excluding merger-related transaction and integration costs and non-underlying administrative expenses. The items are excluded as considered to be non-recurring or significant by virtue of size and nature.

Underlying earnings

EPRA earnings adjusted for the non-core property rental income business. The Lillie Square joint venture is not considered part of the core underlying business of the Group and therefore its results are excluded from underlying earnings.

Underlying earnings per share (EPS)

Underlying earnings divided by the weighted average number of shares in issue during the year.

Unsecured term & revolving loan facilities interest cover

Interest cover is calculated based on net rental income divided by net finance costs.

Unsecured term & revolving loan facilities LTV

LTV is calculated on the basis of net debt divided by the market value of wholly owned property portfolio. This measure is consistent with the LTV ratio disclosed in 'Alternative performance measures' table.

Valuation growth/decline

The valuation movement and realised surpluses or deficits arising from the Group's investment property portfolio expressed as a percentage return on the valuation at the beginning of the year adjusted for acquisitions, disposals and capital expenditure. When measured on a like-for-like basis, the calculation excludes those properties acquired or sold during the year.

Weighted average cost of debt - gross

The cost of debt weighted by the drawn balance of external borrowings.

Weighted average cost of debt - net

The cost of debt weighted by the drawn balance of external borrowings, taking account of interest on cash deposits and interest rate caps and collars.

WAULT (Weighted average unexpired lease term)

The unexpired lease term to the earlier of break or lease expiry weighted by passing rent for each lease.

Zone A

A means of analysing and comparing the rental value of retail space by dividing it in to zones parallel with the main frontage. The most valuable zone, Zone A, falls within a 6 metre depth of the shop frontage. Each successive zone is valued at half the rate of the zone in front of it. The blend is referred to as being 'ITZA' ("In Terms of Zone A").

Important notices

This press release contains “forward-looking statements” regarding the belief or current expectations of Shaftesbury Capital PLC, its Directors and other members of its senior management about Shaftesbury Capital PLC’s businesses, financial performance and results of operations. These forward-looking statements are not guarantees of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Shaftesbury Capital PLC and are difficult to predict, that may cause actual results, performance or developments to differ materially from any future results, performance or developments expressed or implied by the forward-looking statements. These forward-looking statements speak only as at the date of this press release. Except as required by applicable law, Shaftesbury Capital PLC makes no representation or warranty in relation to them and expressly disclaims any obligation to update or revise any forward-looking statements contained herein to reflect any change in Shaftesbury Capital PLC’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. The information contained in this press release does not purport to be comprehensive and has not been independently verified.

Any information contained in this announcement on the price at which shares or other securities in Shaftesbury Capital PLC have been bought or sold in the past, or on the yield on such shares or other securities, should not be relied upon as a guide to future performance. No statement in this press release is intended to be a profit forecast and no statement in this press release should be interpreted to mean that earnings per share of Shaftesbury Capital PLC for the current or future financial years would necessarily match or exceed the historical published earnings per share of Shaftesbury Capital PLC.

Certain industry and market data contained in this press release has come from third party sources. Third party publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee of accuracy or completeness of such data.